

COMPREHENSIVE ANNUAL FINANCIAL REPORT

PLAINFIELD CHARTER TOWNSHIP

COUNTY OF KENT, MICHIGAN

FOR THE YEAR ENDED DECEMBER 31,

2006

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED December 31, 2006

Prepared By:
Accounting Department
Plainfield Charter Township
Belmont, Michigan

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PLAINFIELD CHARTER TOWNSHIP

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SUPERVISOR

CLERK

TREASURER

TRUSTEES

MANAGER

May 15, 2007

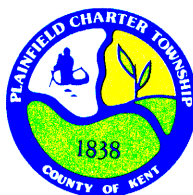
Members of the Board of Trustees and
Citizens of Plainfield Charter Township:

With this letter we are submitting the Comprehensive Annual Financial Report (CAFR) of Plainfield Charter Township for fiscal year 2006, ending December 31, 2006. Plainfield Township is responsible for both the accuracy of the data contained in this report, as well as the complete and fair presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data are accurate in all material respects, and the data are reported in a manner that is designed to fairly present the financial positions and results of the operations of the various funds and component unit of Plainfield Township. We have included all disclosures that the reader needs to understand the Township's financial activities.

This comprehensive annual financial report is presented in three sections: introductory, financial and statistical. This transmittal letter, the Township's organization chart, and a list of principal officials are included in the introductory section. The financial section includes the financial statements and the combining and individual fund financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The CAFR includes all funds of Plainfield Township, as well as its component unit. Component units are legally separate entities for which the primary government is financially accountable. The Comstock Park Downtown Development Authority is a component unit, whose financial reports are discretely presented in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government and to differentiate its financial position and changes in financial position from those of Plainfield Township.

State law mandates that Plainfield Township provide certain governmental functions, such as assessing property, collecting and distributing taxes to various local government entities, and conducting elections. Other services provided include planning and zoning, building permits and inspections, administration and maintenance of two cemeteries, parks and recreation, public water and sewer systems, fire protection and emergency medical services, and the operation and maintenance of several Township-owned buildings. Through its representative, Plainfield Township participates as a member of the North Kent Sewer Authority (NKSA) with four other municipalities. The Authority is a distinct and separate unit of government, having its own financial reporting requirements. The Township is responsible, through its Sewer Enterprise Fund, for paying its obligatory share of the Authority's debt service and operational costs. This share is based on the current metered flow of wastewater from the Township's collection system compared to the metered flow of all of the participating communities. Over the past several years, Plainfield Township has been working with its NKSA partner communities to investigate the possibility of building and operating a wastewater treatment facility to separate the NKSA flow from the City of



"Rolling Plains and Beautiful Fields"

Grand Rapids system. We have been referring to this facility as a “Clean Water Plant” (CWP) because the design and expected level of treatment is far better than that which Grand Rapids’ plant provides and will not degrade the waters of the Grand River. In 2005, the NKSA decided to build the CWP rather than enter into a new contract with Grand Rapids to treat our wastewater. Site preparation began near the end of 2005. Construction is estimated to continue through most of 2008 and the CWP is projected to go on-line near the end of 2008. Customers of Plainfield Charter Township’s Sewer System will see increases in their rates attributed to the construction and operation of the new CWP.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management’s discussion & analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Plainfield Charter Township’s MD&A can be found on pages 4-13.

Government Structure, Local Economic Condition and Outlook

Plainfield Township was established in 1838 as a township, and in 1978 became a charter township by resolution of the Township Board. A Superintendent, serving at the pleasure of the seven-member Board of Trustees, provides the day-to-day management of Plainfield Charter Township. The Township Treasurer and Township Clerk also serve as full-time administrators, executing the statutory duties of their offices. Encompassing an area of 36 square miles, Plainfield Township has a 2000 Census population of 30,195. The Township’s Total Taxable Value for 2006 is \$1,087,078,615. 75% of this is residential, 17% is commercial, and 8% is other.

Over the past five years, unemployment in Plainfield Township averaged 4.3%, compared to a statewide average of 6.8%. Building permits have averaged at just over 600 annually for the past five years, but fell to 489 in 2006. The value of the new construction represented by those permits has fallen from approximately \$64,000,000 in 2005 to just over \$37,000,000 in 2006.

The property tax base is very diversified, with the ten largest property tax payers comprising only 6.6% of the total, and the largest property tax payer being Wynalda Litho, Inc. at 1.3% of the total. There is a wide variety of housing choices available for all income levels. Plainfield Township is the home of the West Michigan Whitecaps Baseball organization, whose stadium is located adjacent to US 131 in the Comstock Park area of the Township.

Plainfield Avenue has been a growing and developing commercial corridor for the past 45 years. In the past few years, a significant number of older buildings and vacant parcels have been torn down or developed as new commercial uses. This trend is expected to continue, as local and regional business enterprises recognize the profitability of serving the market area of Plainfield Township and adjacent communities. In 2006, the Plainfield Charter Township Board established a “Corridor Improvement Authority” in conjunction with Grand Rapids Township for the purpose of enhancing redevelopment of the corridor and maintaining its viability.

These and many other developments in Plainfield Township reflect the Township’s desirability for businesses and residents. The water and sewer infrastructure in Plainfield Township have been expanded and improved over the past decade to provide for anticipated growth. The Township’s property tax rate is extremely low for a community of our size, and the quality of the schools in the area also makes Plainfield Township attractive for new residents and new businesses.

Financial Information

Management of Plainfield Township is responsible for establishing and maintaining internal control designed to ensure that the assets of the Township are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

- **Budgetary Controls**

The Township maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Township Board. Activities of the General Fund, Special Revenue Funds, and Enterprise Funds, as well as the activities of the DDA, are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) for fiscal year 2006 was the functional level within each fund; however, management requires tighter budgetary awareness and attention from department managers down to the line item level. Unexpended amounts lapse at year end; however, funding for committed capital projects is generally reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, Plainfield Township continues to meet its responsibility for sound financial management.

- **Cash Management Policies and Practices**

Plainfield Charter Township's policy is to invest its funds in a manner that will provide the highest investment return with the maximum security, while meeting the daily cash flow needs of the Township and complying with all state statutes governing the investment of public funds. During the year, temporarily idle cash was invested in certificates of deposit, commercial paper, and investment pools as permitted by State law and Township policy.

At year-end, Township funds were invested as follows:

Invested With	Type Of Account	Percent Of Total	Interest Rate
Huntington Bank	Money market	20%	5.69%
Kent County	Investment pool	16	4.68
Choice One Bank	CD	13	5.65
Huntington Bank	FHLB	11	4.68
MBIA	Investment pool	11	5.22
JP Morgan Chase	Money market	10	4.94
National City Bank	Commercial paper	7	5.20
Flagstar Bank	CD	3	5.85
Bear, Stearns Securities	FNMAE	3	4.63
Bear, Stearns Securities	FHLB	2	3.32
Huntington Bank	FNMAE	1	4.50
LSI Credit Union	CD	1	5.53
Independent Bank	CD	1	3.00
Select Bank	CD	1	5.35

Investment earnings were affected by various factors: major capital expenditures resulting in less funds available for investment, length of investment maturities, interest rate environment, and fluctuations in market value of the underlying security.

- **Risk Management**

During fiscal year 2006, Plainfield Township participated in two public entity risk pools. The Michigan Township Participating Plan provided insurance coverage for liability, auto, crime, and property damage risks. The Michigan Municipal Liability and Property Pool provided coverage for workers' compensation.

The Township also maintains, on behalf of its 10 full-time firefighters, a disability policy from Continental Casualty Company that integrates benefits with workers' compensation benefits, providing this class of employee a benefit at least equal to their average weekly wage while off work due to a duty-related injury.

- **Long Term Financial Planning**

Being in close proximity to the metropolitan area of Grand Rapids, Plainfield Charter Township is a desirable place to live. Location near Grand Rapids is only one of many reasons for the attraction of Plainfield Charter Township. There are also three very prominent school systems here, rivers and streams, a minor league professional baseball stadium, several golf courses, shopping centers, and many wooded areas. We have been growing steadily for many years and we are in the fortunate position of having substantial growth potential before we reach build-out, which means our tax base will continue to grow for many years to come. In addition to our growing tax base, our current tax rate is set at 3.29 mills, which is substantially lower than the allowable maximum of 4.1772 mills after the Headlee Rollback Reduction.

The largest portion of our General Fund expenditures is our fire department. The majority of these expenses increase each year by a percentage very close to the inflation rate. The fire department expense that typically has greater fluctuations is capital outlay for equipment replacement. Our fire department recently created a long-range equipment replacement plan that extends out 20 years, giving us ample time to plan for the best way to finance the equipment.

Several years ago, after borrowing \$5 million for a number of important capital improvements, we implemented a water rate increase that was used to pay for the rising costs to provide high quality water to our residents, as well as generate enough money to cover planned system expansion and improvement projects for close to 10 years on a pay-as-you-go basis.

Plainfield Charter Township is a member with four other communities in the North Kent Sewer Authority, which is building a new wastewater treatment plant. The new plant will provide far superior treatment of our wastewater and an effective alternative to a huge contract increase from the City of Grand Rapids.

The water capital improvement plan and the sewer capital improvement plan have both been recently updated. The projects, amounting to millions of dollars, will be funded through cash surpluses in both funds.

Over the last 5 years our unreserved, undesignated fund balance in the General Fund has been averaging 30 percent of total general fund expenditures. This gives us the flexibility to manage unplanned expenses, deal with potential breaks in state shared revenue, and manage cash flow needs.

The Township's rather conservative approach to local government services and taxes has enabled us to manage in a severe economic downturn in Michigan. Plainfield Township maintains enough flexibility and reserves in its major funds to handle capital improvement and replacement needs. Our "A+" bond rating from Standard & Poor's indicates that the financial community recognizes this also.

- **Independent Audit Requirements**

State statutes (MCL 141.425) require financial records, accounts and procedures to be audited annually by a certified public accountant selected by the township or by the state treasurer if the township fails to do so. The accounting firm of Hungerford, Aldrin, Nichols & Carter, PC was selected by Plainfield Township to perform the audit for the fiscal year of 2006. The auditor's report on the basic financial statements and combining and individual funds statements and schedules are included in the financial section of this report.

- **Governmental Accounting Standards Board – Statement No. 34**

The Governmental Accounting Standards Board (GASB), Statement Number 34, has completely revised how state and local governments report their finances to the public. The Township's accounting staff has prepared financial statements that are fully compliant beginning in fiscal year 2002.

One of the main differences between our previous years' financial statements and the new GASB 34 compliant financial statements is the emphasis on the economic cost of delivering services to our citizens. Measuring the cost-benefit relationships of government activities has been difficult in the past. These new statements provide our elected and appointed officials useful information to make efficient and effective use of taxpayer dollars and give the readers of our statements better ability to evaluate how we are doing.

Awards

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Plainfield Charter Township for its comprehensive annual financial report for the fiscal year ended December 31, 2005. This was the forth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of these statements could not have been accomplished without the efficient and dedicated services of the entire staff of Plainfield Township. We extend our recognition and appreciation especially to those employees and officials who directly assisted in the preparation of these statements. The Township Board should also be recognized for their support to the accounting department in giving them the tools needed to prepare accurate financial statements.

Sincerely,

Robert C. Homan, Township Superintendent

Warren T. Smith, CMA, Accounting Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

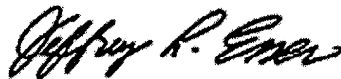
Plainfield Charter Township
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President



Executive Director



Plainfield Charter Township Board of Trustees

Supervisor

George K. Meek

Clerk

Susan L. Morrow

Treasurer

James W. Stover

Trustees

Rebecca L. Borek

Robert W. Heindrichs

William J. Parris

Jack Hagedorn

Township Superintendent

Robert C. Homan

Boards, Committees, Commissions

Board of Review

Building Board of Appeals

Comstock Park Downtown Development Authority

Planning Commission

Zoning Board of Appeals

Library Advisory Committee

Parks and Recreation Committee

Historical Advisory Committee

Public Safety Advisory Committee

Senior Citizens Advisory Committee

Budget & Finance Committee

Infrastructure Committee

Personnel Committee

Department Heads

Accounting Department

Warren Smith

Assessing Department

Judy La Fave

Buildings and Grounds

Ronald Walker

Clerk's Department

Susan Morrow

Community Development Department

William Fischer

Fire Department

David Peterson

Manager's Department

Robert Homan

Parks and Recreation

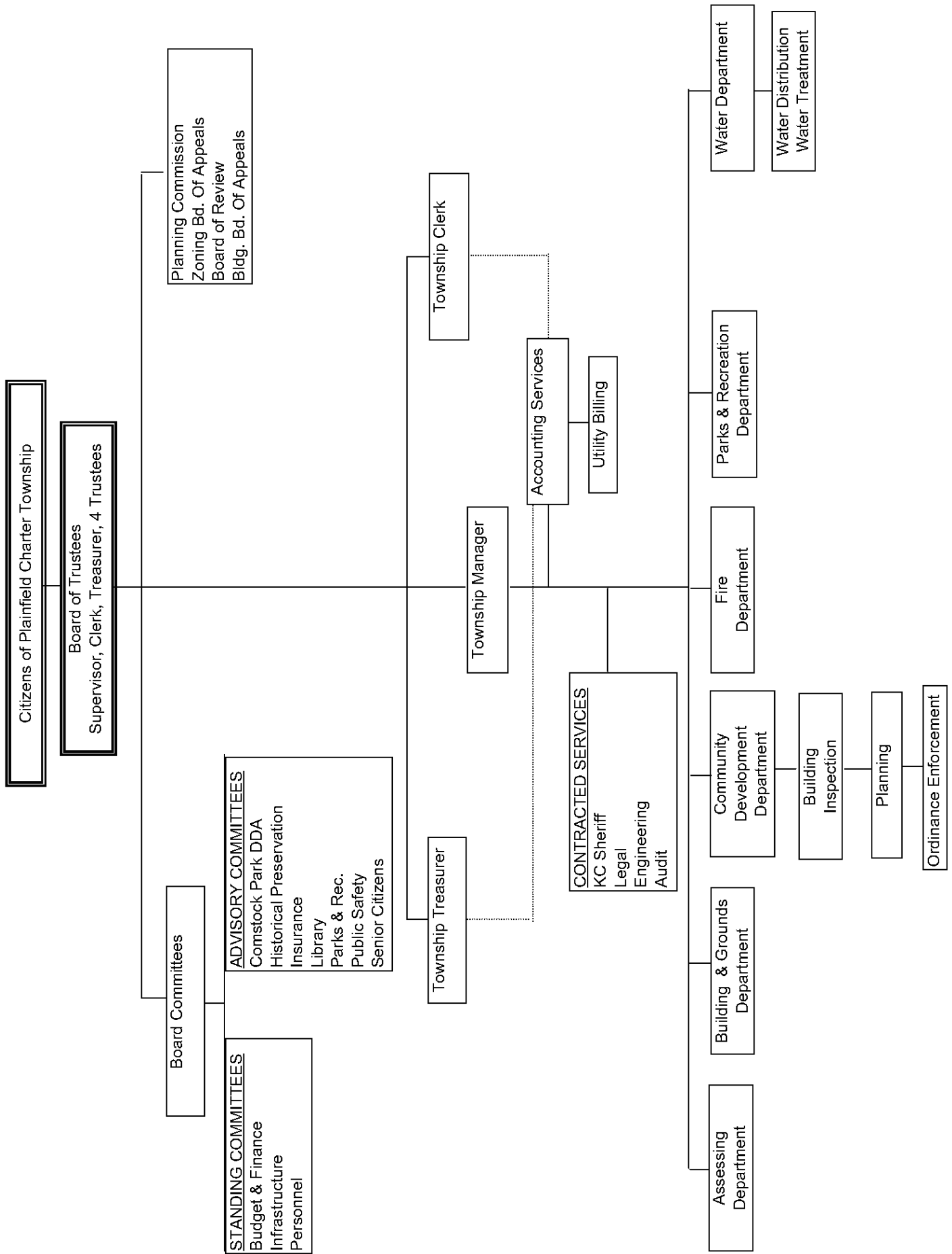
John Short

Treasurer's Department

James Stover

Water Department

Vacant



Hungerford, Aldrin,
Nichols & Carter, P.C.

CPAs AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

May 15, 2007

The Township Board
Plainfield Charter Township
Kent County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Plainfield Charter Township (the "Township") as of and for the year ended December 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the elected officials and management of the Township. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Plainfield Charter Township as of December 31, 2006, and the respective changes in financial position and cash flows of its proprietary fund types and budgetary comparisons for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2007, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The introductory section, the supplementary information and the statistical section as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Plainfield Charter Township. Such information, except for the portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hungerford, Aldine, Nichols & Austin, P.C.

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2006

As management of *Plainfield Charter Township, Kent County, Michigan*, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2006. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$64,507,279 (net assets). Of this amount, \$16,098,603 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$3,206,925.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$3,188,980, an increase of \$24,030 in comparison with the prior year. Approximately 68% of the ending fund balance, or \$2,170,889, is *available for spending* at the government's discretion (*unreserved, undesignated fund balance*).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$2,170,889, or 30 percent of total General Fund expenditures.
- The Township's total indebtedness decreased by \$1,452,372 to a total of \$16,821,938 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, recreation and cultural, building inspection, community development and operation of the community center. The business-type activities of the Township include water and sewer operations.

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2006

The government-wide financial statements include not only Plainfield Township itself (known as the primary government), but a legally separate Downtown Development Authority for which the Township is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 15-17 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is considered to be the only major fund. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Township adopts an annual appropriated budget. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 18-22 of this report.

Proprietary funds. The Township maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses enterprise funds to account for its sewer and water system operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer and water operations, both of which are considered to be major funds of the Township.

The basic proprietary fund financial statements can be found on pages 23-26 of this report.

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2006

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 29 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-46 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This includes combining and individual fund statements and schedules, and a schedule of indebtedness on pages 47-68.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Plainfield Charter Township, assets exceeded liabilities by \$64,507,279 at the close of the most recent fiscal year.

By far the largest portion of the Township's net assets (73 percent) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Plainfield Charter Township's Net Assets

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Current and other assets	\$7,585,663	\$7,396,429	\$15,172,704	\$16,597,462	\$22,758,367	\$23,993,891
Capital assets	10,433,265	10,071,599	53,059,476	50,714,842	63,492,741	60,786,441
Total assets	18,018,928	17,468,028	68,232,180	67,312,304	86,251,108	84,780,332
Long-term liabilities outstanding	2,737,425	3,065,910	12,409,597	13,616,955	15,147,022	16,682,865
Other liabilities	4,645,109	4,385,710	1,951,698	2,411,403	6,596,807	6,797,113
Total liabilities	7,382,534	7,451,620	14,361,295	16,028,358	21,743,829	23,479,978
Net assets:						
Invested in capital assets, net of related debt	7,623,164	7,006,368	39,524,764	36,029,685	47,147,928	43,036,053
Restricted	159,418	279,569	1,101,330	1,090,135	1,260,748	1,369,704
Unrestricted	2,853,812	2,730,471	13,244,791	14,164,126	16,098,603	16,894,597
Total net assets	\$10,636,394	\$10,016,408	\$53,870,885	\$51,283,946	\$64,507,279	\$61,300,354

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2006

An additional portion of the Township's net assets (2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (25 percent or \$16,098,603) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The government's net assets increased by \$3,206,925 during the current fiscal year.

Plainfield Charter Township's Changes in Net Assets

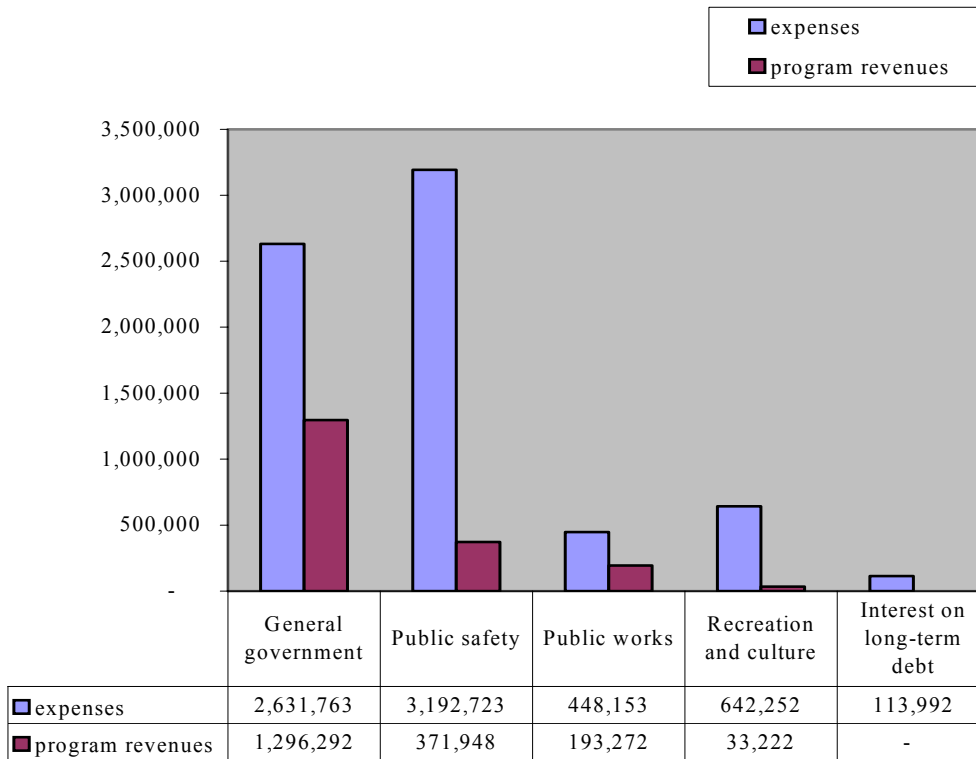
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenue:						
Program revenue:						
Charges for services	\$1,633,793	\$1,511,995	\$7,778,819	\$7,442,816	\$9,412,612	\$8,954,811
Operating grants and contributions	78,462	172,598	-	-	78,462	172,598
Capital grants and contributions	182,479	267,289	1,306,074	1,331,440	1,488,553	1,598,729
General revenue:						
Property taxes	3,321,943	3,106,988	-	-	3,321,943	3,106,988
State sources	2,156,261	2,155,946	-	-	2,156,261	2,155,946
Other	275,931	133,111	633,291	467,259	909,222	600,370
Total revenue	<u>\$7,648,869</u>	<u>\$7,347,927</u>	<u>\$9,718,184</u>	<u>\$9,241,515</u>	<u>\$17,367,053</u>	<u>\$16,589,442</u>
Expenses:						
General government	\$2,631,763	\$2,601,296	\$-	\$-	\$2,631,763	\$2,601,296
Public safety	3,192,723	2,982,464	-	-	3,192,723	2,982,464
Public works	448,153	604,465	-	-	448,153	604,465
Parks and recreation	642,252	516,584	-	-	642,252	516,584
Interest on long-term debt	113,992	122,574	-	-	113,992	122,574
Sewer	-	-	2,872,792	2,503,299	2,872,792	2,503,299
Water	-	-	4,258,453	3,946,987	4,258,453	3,946,987
Total expenses	<u>7,028,883</u>	<u>6,827,383</u>	<u>7,131,245</u>	<u>6,450,286</u>	<u>14,160,128</u>	<u>13,277,669</u>
Increase in net assets before transfers	619,986	520,544	2,586,939	2,791,229	3,206,925	3,311,773
Transfers	-	(25,000)	-	25,000	-	-
Increase (decrease) in net assets	619,986	495,544	2,586,939	2,816,229	3,206,925	3,311,773
Net assets - beginning of year	10,016,408	9,520,864	51,283,946	48,467,717	61,300,354	57,988,581
Net assets - end of year	<u>\$10,636,394</u>	<u>\$10,016,408</u>	<u>\$53,870,885</u>	<u>\$51,283,946</u>	<u>\$64,507,279</u>	<u>\$61,300,354</u>

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2006

Governmental activities. Governmental activities increased the Township's net assets by \$619,986. Key elements of this increase are as follows:

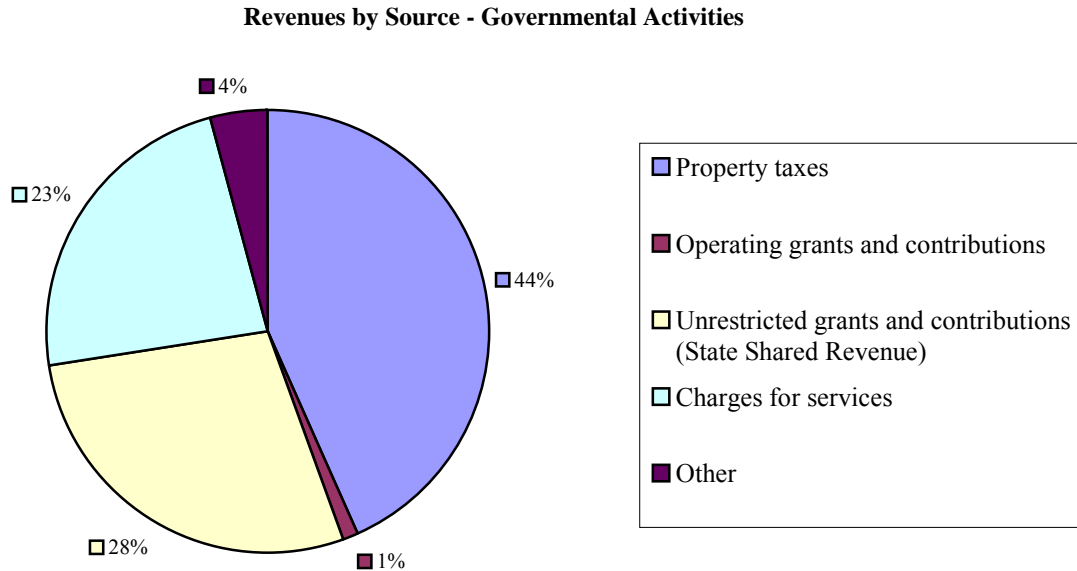
- Increase in property tax revenue due to increase in property values of \$209,000.
- Increase in interest income of \$163,000.
- Donation of property to expand cemetery worth \$147,000.
- Water, sewer, and building fund reimbursement to the General Fund was up by \$83,000.
- Received FEMA grant for fire department of \$78,000.
- Spent \$230,000 less for road construction in 2006.

Expenses and Program Revenues - Governmental Activities



PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2006

Revenues by Source - Governmental Activities

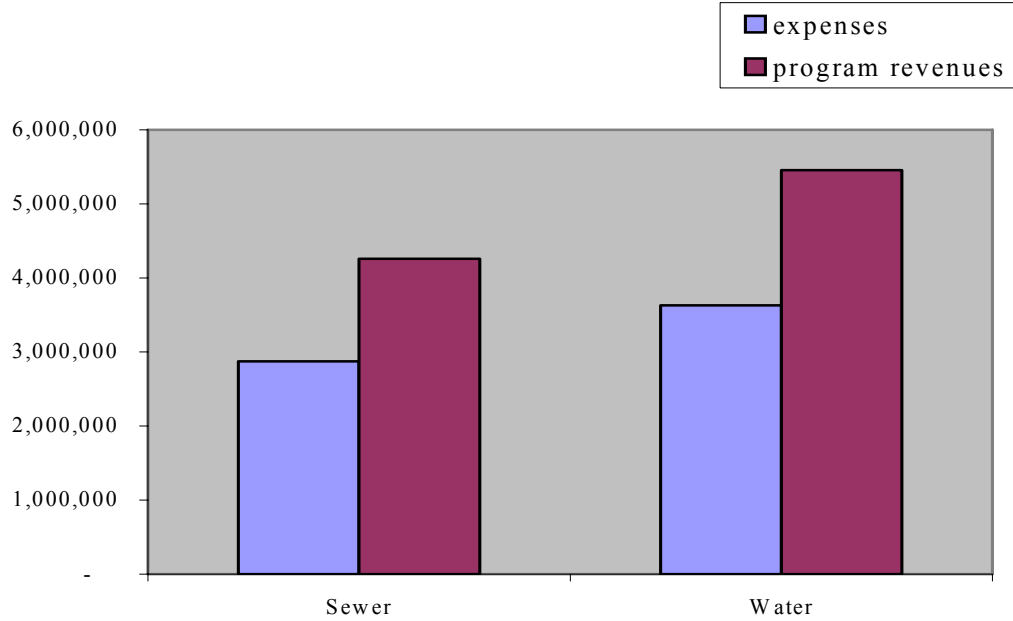


Business-type activities. Business-type activities increased the Township's net assets by \$2,586,939. Operating revenues in the Sewer Fund increased by \$424,000 over 2005, and operating revenues in the Water Fund decreased by \$88,000 from 2005. Connection charges decreased \$55,000 in the Sewer Fund and increased \$30,000 in the Water Fund. Sewer Fund expenses were up \$369,000 from 2005 and Water Fund expenses were up \$311,000 from 2005. Key elements of these changes are as follows:

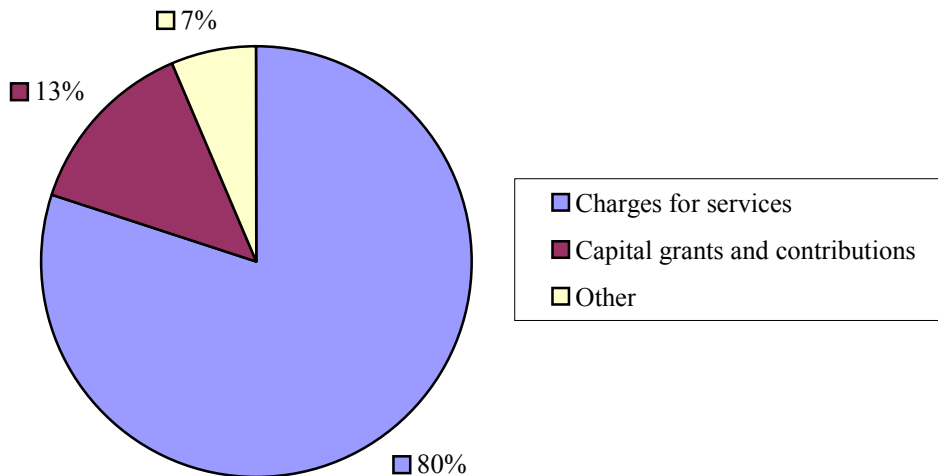
- A 20% Sewer rate increase went into effect in May 2006.
- The Township's share of Sewer Fund bond expenses increased by \$223,000; \$100,000 of this amount was from new bonds issued in 2005.
- Sewer system operation and maintenance of underground systems and lift stations was up \$186,000 from 2005.
- Reduction in Water operating revenues was due to lower water sales in 2006.
- Water Plant expenses increased by \$129,000.
- Water Fund depreciation expense increased by \$81,000.
- Water Distribution system expenses increased by \$80,000.
- Water Fund administrative expenses increased by \$29,000.

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2006

Expenses and Program Revenues – Business-type Activities



Revenues by Source - Business-type Activities



PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2006

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$3,188,980, an increase of \$24,030 in comparison with the prior year. Approximately two-thirds of this total amount (\$2.2 million) constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved or designated* to indicate that it is not available for new spending because it has already been committed or designated 1) to be used for street lighting (\$11,415), 2) to be used for lake improvements (\$8,220), 3) to be used for building department (\$139,783), 4) to be used for public improvement (\$441,842), 5) to be used for storm water management (\$176,088), or 6) to be used for special assessment projects (\$240,733).

The General Fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was \$2,170,899, while total fund balance was \$2,411,632. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 30 percent of total General Fund expenditures.

The fund balance of the Township's General Fund increased by \$123,990 during the current fiscal year compared to the budgeted decrease of \$195,427. This increase is attributable to several things, including an increase in interest revenue of \$66,000, unspent retiree health insurance expenses of \$63,000, unspent employee costs of \$48,000, and unspent road construction of \$27,000.

Proprietary funds. The Township's proprietary funds provide the same type of information found in the government wide financial statements, but in more detail.

Unrestricted net assets of the Sewer and Water Funds at the end of the year amounted to \$8,409,003 and \$4,835,788, respectively. The Sewer Fund had an increase in net assets for the year of \$1,127,650, and the Water Fund had an increase of \$1,459,289. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Township's business-type activities.

General Fund Budgetary Highlights

During the year, General fund budget to actual comparisons were generally favorable.

The only significant budget modifications during the year were as follows:

1. Reduce Transfers In due to Parks and Recreation projects being postponed for \$159,000, along with a corresponding reduction in the Parks and Recreation expense budget.
2. Increase Donations revenue for contributed cemetery land for \$147,000, along with a corresponding increase in the Cemetery capital outlay budget.

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2006

Capital Asset and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental and business type activities as of December 31, 2006, amounted to \$63,492,741 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, systems, improvements, machinery and equipment, and park facilities.

Major capital asset events during the current fiscal year included the following:

- Hayes-Vinton-Seven Mile Rd. water main extension for \$1,051,000.
- Belmont/Graphic Drive water and sewer extension project for \$636,000.
- Hunsberger water main improvement project for \$529,000.
- Complete new Water Service Center building for \$464,000.
- Repave township building parking lots for \$222,000.
- West River/Pine Island/Samrick water & sewer project for \$211,000.
- Rockbluff Drive and Rockbluff Court sewer project for \$203,000.
- Repaint water plant clarifier #6 for \$102,000.

Major capital asset events planned for fiscal year 2007 include the following:

- Coit Ave. water main project for \$1,456,000.
- Various sewer system repairs by the county for \$750,000.
- Redirect sewer flows from Brandau Service District for \$400,000.
- Water main project at Meijer on Plainfield Ave. for \$294,000.
- Five Mile Road lift station rehabilitation for \$284,000.
- West River Drive water main project for \$140,000.

Plainfield Charter Township's Capital Assets
(net of depreciation)

	Governmental activities	Business-type activities	Total
Land	\$ 1,692,696	\$ 708,300	\$ 2,400,996
Construction in Progress	—	1,250,248	1,250,248
Buildings and Improvements	7,994,324	12,037,236	20,031,560
Machinery and Equipment	746,245	849,997	1,596,242
Utility Systems	—	38,213,695	38,213,695
Total	\$ 10,433,265	\$ 53,059,476	\$ 63,492,741

Additional information on the Township's capital assets can be found in Note D on pages 41 and 42 of this report.

Long-term debt. At the end of the current fiscal year, the Township had total long-term debt outstanding of \$16,821,938. Of this amount, \$2,880,000 comprises bonds backed by the full faith and credit of the government. The remainder (\$13,534,712) represents bonds secured by specified revenue sources (i.e., revenue bonds).

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2006

Plainfield Charter Township's Outstanding Debt

	Governmental activities	Business-type activities	Total
General obligation bonds	\$ 2,880,000	\$ —	\$ 2,880,000
Revenue bonds	—	13,534,712	13,534,712
Installment purchase agreements	83,466	—	83,466
Capital lease	59,140	—	59,140
Accumulated sick and vacation pay	175,750	88,870	264,620
Total	\$ 3,198,356	\$13,623,582	\$16,821,938

The Township's total debt decreased by \$1,452,372 (8 percent) during the current fiscal year.

The Township has an "A+" rating from Standard & Poor's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the Township is \$117,907,950, which is significantly in excess of the Township's outstanding general obligation debt.

Additional information on the Township's long-term debt can be found in Note E on pages 43-45 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Township's budget for the 2007 fiscal year:

Governmental Activities:

- Increase in tax revenue due to higher taxable value of \$232,000.
- Budgeted \$175,000 for retiree health insurance prefunding.

Business-type Activities:

- Bond expense in Sewer Fund up \$853,000 due to new treatment plant.
- Increase in sewer rates to increase revenues by \$690,000.
- Cost to install generators at water storage tanks estimated to be \$252,000.
- Increase in cost of sewer treatment by \$104,000.
- Estimated increase in water sales of \$200,000.
- Standby generator for Kuttshill pump station estimated to be \$155,000.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Plainfield Charter Township, 6161 Belmont Ave. NE, Belmont, MI 49306.

PLAINFIELD CHARTER TOWNSHIP
Statement of Net Assets
December 31, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash	\$ 1,575	\$ 250	\$ 1,825	\$ -
Cash equivalents, deposits and investments (Note B)	2,998,603	10,351,481	13,350,084	773,088
Receivables:			-	
Taxes (Note A)	3,549,521	-	3,549,521	-
Accounts	48,065	1,305,005	1,353,070	-
Due from tax roll	-	34,145	34,145	-
Special assessments - current portion	48,240	156,835	205,075	-
Due from other governmental units	702,851	-	702,851	-
Inventory (Note A)	-	188,582	188,582	-
Prepaid expenses	53,580	23,952	77,532	-
Total Current Assets	7,402,435	12,060,250	19,462,685	773,088
Noncurrent Assets				
Restricted cash equivalents, deposits and investments (Note B)	-	1,189,765	1,189,765	-
Special assessments receivable - net of current portion	183,228	1,250,813	1,434,041	-
Unamortized bond issue costs	-	671,876	671,876	-
Capital assets: (Note D)				
Non-depreciable	1,692,696	1,958,548	3,651,244	-
Depreciable, net	8,740,569	51,100,928	59,841,497	-
Total Noncurrent Assets	10,616,493	56,171,930	66,788,423	-
Total Assets	18,018,928	68,232,180	86,251,108	773,088
Liabilities				
Current Liabilities				
Accounts payable	200,002	649,278	849,280	56,636
Payroll withholdings	21,964	-	21,964	-
Accrued payroll and benefits	151,662	-	151,662	-
Accrued interest payable	18,963	88,435	107,398	-
Escrow deposits	3,478	-	3,478	-
Deferred (unearned) revenue	3,788,109	-	3,788,109	-
Current portion of noncurrent liabilities	460,931	1,208,585	1,669,516	-
Total Current Liabilities	4,645,109	1,946,298	6,591,407	56,636
Noncurrent Liabilities (Note E)				
Accumulated vacation and sick leave payable	175,750	88,870	264,620	-
Capital improvement bonds payable	2,880,000	-	2,880,000	-
Revenue bonds payable	-	13,158,963	13,158,963	-
Special assessment bonds payable	-	375,749	375,749	-
Installment purchase agreements payable	83,466	-	83,466	-
Capital lease payable	59,140	-	59,140	-
Less current portion of noncurrent liabilities	(460,931)	(1,208,585)	(1,669,516)	-
Total Noncurrent Liabilities	2,737,425	12,414,997	15,152,422	-
Total Liabilities	7,382,534	14,361,295	21,743,829	56,636
Net Assets				
Invested in capital assets, net of related debt	7,623,164	39,524,764	47,147,928	-
Restricted for:				
Debt service	-	1,101,330	1,101,330	-
Building department	139,783	-	139,783	-
Lighting district	11,415	-	11,415	-
Lake improvement	8,220	-	8,220	-
Unrestricted	2,853,812	13,244,791	16,098,603	716,452
Total Net Assets	\$ 10,636,394	\$ 53,870,885	\$ 64,507,279	\$ 716,452

See accompanying notes to basic financial statements.

PLAINFIELD CHARTER TOWNSHIP
Statement of Activities
For the year ended December 31, 2006

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 2,631,763	\$ 1,149,292	\$ -	\$ 147,000
Public safety	3,192,723	293,486	78,462	-
Public works	448,153	157,793	-	35,479
Recreation and cultural	642,252	33,222	-	-
Interest on long-term debt	113,992	-	-	-
Total governmental activities	<u>7,028,883</u>	<u>1,633,793</u>	<u>78,462</u>	<u>182,479</u>
Business-type activities:				
Sewer	2,872,792	2,844,555	-	785,273
Water	<u>4,258,453</u>	<u>4,934,264</u>	<u>-</u>	<u>520,801</u>
Total business-type activities	<u>7,131,245</u>	<u>7,778,819</u>	<u>-</u>	<u>1,306,074</u>
Total Primary Government	<u><u>\$ 14,160,128</u></u>	<u><u>\$ 9,412,612</u></u>	<u><u>\$ 78,462</u></u>	<u><u>\$ 1,488,553</u></u>
Component Unit				
Downtown development authority	<u><u>\$ 86,880</u></u>	<u><u>\$ 4,382</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

General revenues:
Property taxes levied for:
 General operations
State revenue sharing - unrestricted
Unrestricted investment earnings
Gain (loss) on sale of capital assets

Total General Revenues

Change in Net Assets

Net Assets - Beginning of Year

Net Assets - End of Year

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	
\$ (1,335,471)	\$ -	\$ (1,335,471)	\$ -
(2,820,775)	-	(2,820,775)	-
(254,881)	-	(254,881)	-
(609,030)	-	(609,030)	-
(113,992)	-	(113,992)	-
(5,134,149)	-	(5,134,149)	-
-	757,036	757,036	-
-	1,196,612	1,196,612	-
-	1,953,648	1,953,648	-
(5,134,149)	1,953,648	(3,180,501)	-
-	-	-	(82,498)
3,321,943	-	3,321,943	176,712
2,156,261	-	2,156,261	-
289,309	633,291	922,600	28,493
(13,378)	-	(13,378)	-
5,754,135	633,291	6,387,426	205,205
619,986	2,586,939	3,206,925	122,707
10,016,408	51,283,946	61,300,354	593,745
<u>\$10,636,394</u>	<u>\$ 53,870,885</u>	<u>\$ 64,507,279</u>	<u>\$ 716,452</u>

PLAINFIELD CHARTER TOWNSHIP
Balance Sheet
Governmental Funds
December 31, 2006

	General	Other Governmental	Total
Assets			
Cash	\$ 1,575	\$ -	\$ 1,575
Cash equivalents, deposits and investments (Note B)	2,173,087	825,516	2,998,603
Receivables:			
Taxes (Note A)	3,409,412	140,109	3,549,521
Accounts	38,950	5,980	44,930
Special assessments	208,788	22,680	231,468
Due from other funds (Note C)	23,939	-	23,939
Due from other governmental units	702,851	-	702,851
Prepaid expenditures	52,292	1,288	53,580
Total Assets	\$ 6,610,894	\$ 995,573	\$ 7,606,467
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 177,373	\$ 22,629	\$ 200,002
Due to other funds (Note C)	-	20,804	20,804
Payroll withholdings	21,964	-	21,964
Accrued payroll and benefits	151,662	-	151,662
Escrow deposits	3,478	-	3,478
Deferred (unearned) revenue	3,844,785	174,792	4,019,577
Total Liabilities	4,199,262	218,225	4,417,487
Fund Balances			
Reserved for:			
Building department	-	139,783	139,783
Lighting district	-	11,415	11,415
Lake improvement	-	8,220	8,220
Unreserved:			
Designated, reported in:			
General fund (Note A)	240,733	-	240,733
Special revenue funds	-	617,930	617,930
Undesignated	2,170,899	-	2,170,899
Total Fund Balances	2,411,632	777,348	3,188,980
Total Liabilities and Fund Balances	\$ 6,610,894	\$ 995,573	\$ 7,606,467

See accompanying notes to basic financial statements.

PLAINFIELD CHARTER TOWNSHIP
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2006

Total governmental fund balances		\$ 3,188,980
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$16,935,372 and accumulated depreciation is \$6,502,107.		
		10,433,265
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Capital improvement bonds payable	(2,880,000)	
Installment purchase agreements payable	(83,466)	
Capital lease payable	<u>(59,140)</u>	(3,022,606)
Certain revenues are not recognized because they are not measurable and available:		
Special assessments receivable		231,468
Accrued interest is not included as a liability in governmental funds		(18,963)
Accumulated sick and vacation pay is not included as a liability in governmental funds		<u>(175,750)</u>
Total net assets - governmental activities		<u><u>\$ 10,636,394</u></u>

See accompanying notes to basic financial statements.

PLAINFIELD CHARTER TOWNSHIP
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2006

	General	Other Governmental	Total
Revenues			
Taxes	\$ 3,321,943	\$ -	\$ 3,321,943
Licenses and permits	307,747	-	307,747
Federal sources	78,462	-	78,462
State sources	2,156,261	-	2,156,261
Intergovernmental sources	290	-	290
Charges for services	234,361	293,486	527,847
Fines and forfeitures	1,083	-	1,083
Interest and rentals	288,231	34,763	322,994
Other	787,827	157,793	945,620
Total Revenues	7,176,205	486,042	7,662,247
Expenditures			
Current:			
General government	3,002,437	-	3,002,437
Public safety	2,742,114	417,427	3,159,541
Public works	202,570	182,771	385,341
Recreational and cultural	526,548	-	526,548
Other township	132,416	-	132,416
Debt service:			
Principal repayment	428,194	-	428,194
Interest and fiscal charges	114,540	-	114,540
Total Expenditures	7,148,819	600,198	7,749,017
Excess (Deficiency) of Revenues Over Expenditures	27,386	(114,156)	(86,770)
Other Financing Sources (Uses)			
Loan/lease proceeds	110,800	-	110,800
Transfers in	25,804	40,000	65,804
Transfers out	(40,000)	(25,804)	(65,804)
Total Other Financing Sources (Uses)	96,604	14,196	110,800
Net Change in Fund Balances	123,990	(99,960)	24,030
Fund Balances, January 1	2,287,642	877,308	3,164,950
Fund Balances, December 31	2,411,632	\$ 777,348	\$ 3,188,980

See accompanying notes to basic financial statements.

PLAINFIELD CHARTER TOWNSHIP
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2006

Net change in fund balances - total governmental funds **\$ 24,030**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and the cost is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

	Capital outlays	\$ 838,553	
	Depreciation expense	<u>(463,509)</u>	375,044

On the Statement of Activities proceeds from the sale of capital assets are replaced by the gain (loss) on the transaction. (13,378)

Proceeds from the sale of bonds, loans or leases are an other financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Assets (110,800)

As special assessments receivable will not be collected for several years after the Township's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead counted as deferred revenues. They are, however, recorded as revenues in the Statement of Activities. (62,812)

Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities:

Repayment of bonds	350,000	
Repayment of installment purchase agreements	63,334	
Repayment of capital lease	<u>14,860</u>	428,194

Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. 548

In the Statement of Net Assets, accumulated sick and vacation pay is measured by the amount earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amount of these benefits earned (\$181,781) exceeded the amounts used/paid (\$160,941). (20,840)

Total change in net assets - governmental activities **\$ 619,986**

See accompanying notes to basic financial statements.

PLAINFIELD CHARTER TOWNSHIP
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2006

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	3,316,600	3,320,400	\$ 3,321,943	\$ 1,543
Licenses and permits	317,750	307,085	307,747	662
Federal sources	-	78,462	78,462	-
State sources	2,230,500	2,169,500	2,156,261	(13,239)
Intergovernmental sources	-	-	290	290
Charges for services	201,000	229,700	234,361	4,661
Fines and forfeitures	1,300	1,300	1,083	(217)
Interest and rentals	115,000	222,000	288,231	66,231
Other	570,769	772,820	787,827	15,007
Total Revenues	6,752,919	7,101,267	7,176,205	74,938
Expenditures				
Current:				
General government	2,849,597	3,076,514	3,002,437	74,077
Public safety	2,719,374	2,826,436	2,742,114	84,322
Public works	223,000	195,000	202,570	(7,570)
Recreation and cultural	687,709	563,544	526,548	36,996
Other township	188,646	188,646	132,416	56,230
Debt service:				
Principal repayment	405,000	428,194	428,194	-
Interest and fiscal charges	113,000	114,964	114,540	424
Total Expenditures	7,186,326	7,393,298	7,148,819	244,479
Excess (Deficiency) of Revenues Over Expenditures	(433,407)	(292,031)	27,386	319,417
Other Financing Sources (Uses)				
Loan/lease proceeds	-	110,800	110,800	-
Transfers in	180,000	25,804	25,804	-
Transfers out	(40,000)	(40,000)	(40,000)	-
Total Other Financing Sources (Uses)	140,000	96,604	96,604	-
Net Change in Fund Balances	(293,407)	(195,427)	123,990	319,417
Fund Balances, January 1	2,287,642	2,287,642	2,287,642	-
Fund Balances, December 31	\$ 1,994,235	\$ 2,092,215	\$ 2,411,632	\$ 319,417

See accompanying notes to basic financial statements.

PLAINFIELD CHARTER TOWNSHIP
Statement of Net Assets
Proprietary Funds
December 31, 2006

	Sewer Enterprise	Water Enterprise	Total
Assets			
Current Assets			
Cash	\$ -	\$ 250	\$ 250
Cash equivalents, deposits and investments (Note B)	7,179,372	3,172,109	10,351,481
Receivables:			
Accounts	600,678	704,327	1,305,005
Due from tax roll	22,268	11,877	34,145
Special assessments (current portion)	99,835	57,000	156,835
Inventory (Note A)	-	188,582	188,582
Prepaid expenses	-	23,952	23,952
Total Current Assets	<u>7,902,153</u>	<u>4,158,097</u>	<u>12,060,250</u>
Noncurrent Assets			
Restricted cash equivalents, deposits and investments (Note B)	270,065	919,700	1,189,765
Special assessments receivable - net of current portion	966,123	284,690	1,250,813
Unamortized bond costs	-	671,876	671,876
Property, plant and equipment, net of accumulated depreciation (Note D)	14,687,954	38,371,522	53,059,476
Total Noncurrent Assets	<u>15,924,142</u>	<u>40,247,788</u>	<u>56,171,930</u>
Total Assets	<u>23,826,295</u>	<u>44,405,885</u>	<u>68,232,180</u>
Liabilities			
Current Liabilities			
Accounts payable	459,273	190,005	649,278
Accrued interest payable	22,742	65,693	88,435
Current portion of noncurrent liabilities	228,185	980,400	1,208,585
Total Current Liabilities	<u>710,200</u>	<u>1,236,098</u>	<u>1,946,298</u>
Noncurrent Liabilities (Note E)			
Accumulated vacation and sick leave payable	-	88,870	88,870
Revenue bonds payable	2,468,963	10,690,000	13,158,963
Special assessment bonds payable	375,749	-	375,749
Less current portion of noncurrent liabilities	(228,185)	(980,400)	(1,208,585)
Total Noncurrent Liabilities	<u>2,616,527</u>	<u>9,798,470</u>	<u>12,414,997</u>
Total Liabilities	<u>3,326,727</u>	<u>11,034,568</u>	<u>14,361,295</u>
Net Assets			
Invested in capital assets, net of related debt	11,843,242	27,681,522	39,524,764
Restricted for debt service	247,323	854,007	1,101,330
Unrestricted	8,409,003	4,835,788	13,244,791
Total Net Assets	<u>\$ 20,499,568</u>	<u>\$ 33,371,317</u>	<u>\$ 53,870,885</u>

See accompanying notes to basic financial statements.

PLAINFIELD CHARTER TOWNSHIP
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the year ended December 31, 2006

	Sewer Enterprise	Water Enterprise	Total
Operating Revenues			
Charges for services:			
Water sales	\$ -	\$ 4,278,326	\$ 4,278,326
Sewage disposal services	2,781,418	-	2,781,418
Debt service charges	-	10,899	10,899
Penalties	41,813	68,889	110,702
Inspection fees	4,400	-	4,400
Total charges for services	2,827,631	4,358,114	7,185,745
Hydrant maintenance charges	-	516,505	516,505
Other revenue	16,924	59,645	76,569
Total Operating Revenues	2,844,555	4,934,264	7,778,819
Operating Expenses			
Administration	-	672,344	672,344
Plant operations and maintenance	-	1,200,723	1,200,723
Distribution operations and maintenance	2,510,795	870,873	3,381,668
Depreciation	240,448	1,028,692	1,269,140
Total Operating Expenses	2,751,243	3,772,632	6,523,875
Operating Income	93,312	1,161,632	1,254,944
Nonoperating Revenues (Expenses)			
Interest income	370,614	262,677	633,291
Amortization of bond costs	-	(80,498)	(80,498)
Interest expense	(121,549)	(405,323)	(526,872)
Total Nonoperating Revenues (Expenses)	249,065	(223,144)	25,921
Income Before Contributions and Transfers	342,377	938,488	1,280,865
Connection charges and contributions	785,273	520,801	1,306,074
Change in Net Assets	1,127,650	1,459,289	2,586,939
Net Assets, Beginning of Year	19,371,918	31,912,028	51,283,946
Net Assets, End of Year	<u>\$ 20,499,568</u>	<u>\$ 33,371,317</u>	<u>\$ 53,870,885</u>

See accompanying notes to basic financial statements.

PLAINFIELD CHARTER TOWNSHIP
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2006

	Sewer Enterprise	Water Enterprise	Total
Cash Flows From Operating Activities			
Receipts from customers	\$ 2,744,699	\$ 4,915,351	\$ 7,660,050
Payments to suppliers for goods and services	(2,512,564)	(2,045,065)	(4,557,629)
Payments to employees for services	-	(1,195,555)	(1,195,555)
Net Cash Provided By Operating Activities	<u>232,135</u>	<u>1,674,731</u>	<u>1,906,866</u>
Cash Flows From Capital and Related Financing Activities			
Connection charges and contributions	785,273	520,801	1,306,074
Collection of special assessments	211,797	122,862	334,659
Principal paid on bonds	(215,445)	(935,000)	(1,150,445)
Interest paid on bonds	(123,724)	(410,993)	(534,717)
Acquisition of capital assets	(1,239,407)	(2,923,491)	(4,162,898)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(581,506)</u>	<u>(3,625,821)</u>	<u>(4,207,327)</u>
Cash Flows From Investing Activities			
Proceeds from sales and maturities of investments	11,254	300,000	311,254
Purchase of investments	(1,014,629)	-	(1,014,629)
Interest received	371,541	262,677	634,218
Net Cash Provided (Used) By Investing Activities	<u>(631,834)</u>	<u>562,677</u>	<u>(69,157)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	(981,205)	(1,388,413)	(2,369,618)
Cash and Cash Equivalents, beginning of year	<u>4,423,777</u>	<u>5,480,472</u>	<u>9,904,249</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 3,442,572</u></u>	<u><u>\$ 4,092,059</u></u>	<u><u>\$ 7,534,631</u></u>

Cash and cash equivalents, as defined in the Notes to Basic Financial Statements (A-5), are captioned on the Statement of Net Assets as follows:

Cash	\$ -	\$ 250	\$ 250
Cash equivalents, deposits and investments	3,172,507	3,172,109	6,344,616
Restricted cash equivalents, deposits and investments	270,065	919,700	1,189,765
	<u><u>\$ 3,442,572</u></u>	<u><u>\$ 4,092,059</u></u>	<u><u>\$ 7,534,631</u></u>

(Continued)

PLAINFIELD CHARTER TOWNSHIP
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2006

	<u>Sewer Enterprise</u>	<u>Water Enterprise</u>	<u>Total</u>
Reconciliation of Operating Income To Net Cash Provided By Operating Activities			
Operating income	\$ 93,312	\$ 1,161,632	\$ 1,254,944
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	240,448	1,028,692	1,269,140
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(94,105)	(30,609)	(124,714)
(Increase) decrease in due from tax roll	(5,751)	11,696	5,945
(Increase) decrease in inventory	-	8,393	8,393
(Increase) decrease in prepaid expenses	-	1,931	1,931
Increase (decrease) in accounts payable	(1,769)	(501,631)	(503,400)
Increase (decrease) in vacation and sick leave payable	-	(5,373)	(5,373)
Total adjustments	<u>138,823</u>	<u>513,099</u>	<u>651,922</u>
Net Cash Provided By Operating Activities	<u><u>\$ 232,135</u></u>	<u><u>\$ 1,674,731</u></u>	<u><u>\$ 1,906,866</u></u>

See accompanying notes to basic financial statements.

PLAINFIELD CHARTER TOWNSHIP
Balance Sheet
Component Unit
December 31, 2006

	Downtown Development Authority
Assets	
Cash equivalents, deposits and investments (Note B)	<u>\$ 773,088</u>
Liabilities and Fund Balances	
Liabilities	
Accounts payable	<u>\$ 56,636</u>
Fund Balances	
Unreserved:	
Undesignated	<u>716,452</u>
Total Liabilities and Fund Balances	<u>\$ 773,088</u>

See accompanying notes to basic financial statements.

PLAINFIELD CHARTER TOWNSHIP
Statement of Revenues, Expenditures and Changes in Fund Balances
Component Unit
December 31, 2006

	Downtown Development Authority
Revenues	
Taxes	\$ 176,712
Interest and rentals	28,493
Other	4,382
	<hr/>
Total Revenues	209,587
	<hr/>
Expenditures	
Current:	
Public works	86,880
	<hr/>
Net Change In Fund Balances	122,707
	<hr/>
Fund Balances, Beginning of Year	593,745
	<hr/>
Fund Balances, End of Year	\$ 716,452
	<hr/> <hr/>

See accompanying notes to basic financial statements.

PLAINFIELD CHARTER TOWNSHIP
Statement of Net Assets
Fiduciary Funds
December 31, 2006

	<u>Agency Funds</u>
Assets	
Cash equivalents, deposits and investments (Note B)	\$ 4,511,176
Accounts receivable	<u>5,783</u>
Total Assets	<u><u>\$ 4,516,959</u></u>
Liabilities	
Accounts payable	\$ 17,702
Due to other funds (Note C)	3,135
Due to other governmental units	4,460,326
Escrow deposits	<u>35,796</u>
Total Liabilities	<u><u>\$ 4,516,959</u></u>

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

Note A – Summary of Significant Accounting Policies

Plainfield Charter Township (the “Township”) was organized as a general law township under applicable laws of the State of Michigan and was incorporated as a charter township on September 18, 1978, under provisions of Act 359, Public Acts of 1947, as amended by the Public Acts of 1976. The Township is governed by a Board of Trustees which consists of a Supervisor, Clerk, Treasurer and four Trustees. The Township is administered by a Manager appointed by the aforementioned Board. The Township provides, or contributes to the providing of, the following services to its residents as provided by statute: public safety (police, fire, inspection), highways and streets, sewer and water, parks and recreation, cultural, public improvements, planning and zoning, general administrative and other services.

The financial statements of the Township have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to Townships. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Township’s accounting policies are described below.

1. Reporting Entity

As required by generally accepted accounting principles, the accompanying financial statements present the Township and its component unit, an entity for which the Township is considered to be financially accountable. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Township.

Discretely Presented Component Unit

The Comstock Park Downtown Development Authority (the “DDA”) was created by Plainfield Charter Township under the provision of Act 197, Public Acts of 1975 of the State of Michigan. The purpose of the DDA is to correct and prevent deterioration, encourage historic preservation and promote the economic growth of business districts in the Township of Plainfield. The DDA is under the supervision and control of a nine member Board consisting of the Supervisor and eight other members who are appointed by the Township. The Township approves the DDA’s budget and has the ability to significantly influence operations of the DDA. Tax Increment Financing is the DDA’s primary source of revenue. Separate financial statements for the Downtown Development Authority are not available.

Joint Venture

The Township is a participant in the North Kent Sewer Authority (“Authority”) (a joint venture as defined by GASB Statement No. 14). The purpose of the Authority is to construct and maintain sewage transportation infrastructure. The Township utilizes the Authority to transport the Plainfield Charter Township sewage to the City of Grand Rapids Sanitary Sewer System for treatment and disposal.

The Township pays the Authority based on its share of sewage flow through the system to cover debt service, maintenance and administration of the Authority. The Township also pays the authority a fixed percentage of outstanding bond principal and interest expense based on the amount of Authority bond proceeds expended on the Township sewer system. The fixed portion of the Authority debt has been recorded as a liability of the Township sewer fund. The Authority issued \$4,360,000, \$4,660,000, \$5,831,000, \$2,770,000, \$6,000,000 and \$39,600,000

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

of insured municipal bonds during 1998, 2000, 2001, 2002, 2005 and 2006, respectively. At year-end \$60,595,000 of authority bonds were still outstanding. The Township has pledged its limited faith and credit for the bonds based on Township sewage flow through the system. Financial statements can be obtained by contacting the North Kent Sewer Authority, P.O. Box 561, Rockford, MI 49341-0561.

2. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements - The Government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) present financial information about the Township as a whole. The reported information includes all of the nonfiduciary activities of the Township. The Township does not allocate indirect costs and, except for reimbursements for interfund services, the effect of interfund activity has been removed. These statements are to distinguish between the *governmental* and *business-type activities* of the Township. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Assets is presented on the classified basis and is reported on the full accrual, economic resource basis, which recognizes all long-term assets as well as all long-term debt and obligations. The Township's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets, and unrestricted net assets.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, state revenue sharing, interest earnings and other items not included among program revenues are reported instead as *general revenues*.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

The Township reports the following major governmental fund:

The *General Fund* is the Township's primary operating fund. It accounts for all financial resources of the general government except those that are required to be accounted for in another fund.

The Township reports the following major proprietary funds:

The *Sewer Enterprise Fund* accounts for the operations of the Township's sewer department that provides sewer services to residents of the Township on a user charge basis.

The *Water Enterprise Fund* accounts for the operations of the Township's water department that provides water services to residents of the Township on a user charge basis.

Additionally, the Township reports the following fund types:

The *Special Revenue Funds* account for revenue from specific revenue sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

The *Trust Account Agency Fund* accounts for the collection of bonds and deposits and the payment to the governmental units or other persons entitled to receive these funds.

The *Tax Account Agency Fund* accounts for the collection of current and delinquent property taxes and the payment to the governmental units or other persons entitled to receive these funds.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Fund level statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The Balance Sheet reports current assets, current liabilities and fund balances. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the government-wide level. Reconciliations between the two sets of statements are provided in separate statements.

Revenues are recognized when susceptible to accrual; i.e., both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Taxes, intergovernmental revenues and interest associated with current period are all considered to susceptible to accrual and have been recognized as revenues of the current fiscal period. Property taxes levied for the subsequent fiscal year are presented as deferred revenue at fiscal year end.

Expenditures are recorded when the liability is incurred, as under accrual accounting, if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt and claims and judgments are recorded only when the payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise fund are charges for services. Operating expenses for the enterprise fund include wages, benefits, supplies, utilities, charges for services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and fiduciary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted as they are needed.

4. Budgets and Budgetary Accounting

Budgets presented in the financial statements were prepared on the same basis as the accounting basis used to reflect actual results. The General and Special Revenue Funds are subject to legal budgetary accounting controls and are budgeted annually. The Township utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- The budgets are generated with input from the Township Manager, the various department heads, Supervisor, Clerk, Treasurer and the Township Trustees. The completed budgets are then presented to Township electors at a public budget hearing at which time taxpayer comments and recommendations are heard. These operating budgets include proposed expenditures and the means of financing them for the General Fund and Special Revenue Funds.
- Prior to January 1, the budgets are legally enacted on a functional basis through passage of an appropriations resolution.
- The budget may only be amended by action of the Township Board.
- Budget appropriations lapse at fiscal year-end.
- Encumbrance accounting is not utilized.
- The original General and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act). The budget to actual revenues and expenditures in the financial statements represent the final budgets as amended by the Township.
- The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the functional level within each individual fund.

5. Cash and Cash Equivalents/Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term deposits and investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value, based on quoted market prices, or estimated fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

6. Restricted Assets

Certain proceeds of the Township and North Kent Sewer Authority bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Assets because their use is limited by applicable bond covenants.

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

7. Inventory

Inventory recorded in the enterprise funds is valued at the lower of cost or market, on the first-in first-out basis. Inventories consist of expendable operating supplies, meters and related materials and parts.

8. Capital Assets

Capital assets, which include property, plant and equipment, vehicles and construction in process, are reported in the government-wide financial statements. Capital assets are also presented in the proprietary fund statements. Assets having a useful life in excess of one year and whose costs exceed \$5,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's useful life are not capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related assets.

Depreciation on the capital assets of the primary government is computed using the straight-line method over the following estimated useful lives:

Sanitary sewer system	20-66 years
Furniture and equipment	5-10 years
Building and structures	10-40 years
Water mains and hydrants	30-66 years
Wells and pumps	25 years
Filtration and treatment equipment	7-10 years
Trucks and vehicles	5 years
Machinery and equipment	7-20 years

9. Property Taxes

Property taxes for the Township are attached as an enforceable lien on property as of December 1 of each year. The December 1 levy is recorded as a receivable and deferred revenue at the end of the year, and is intended to fund expenditures of the following year. Taxes are levied December 1 and are due without penalty on or before February 14. These winter tax bills include the Township's own property taxes and taxes billed on behalf of the school districts within the Township; summer taxes are collected for other entities within the Township. Real property taxes not collected are returned to Kent County for collection, which advances one hundred percent of the delinquent taxes to the Township. The collection of delinquent personal property taxes remains the responsibility of the Township Treasurer.

10. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues (property taxes, special assessments) that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned.

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

11. Long-Term Obligations

In the government-wide financial statements and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund types Statements of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported at the total amount of bonds issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

12. Accumulated Sick and Vacation Pay

Accumulated vacation pay at December 31, 2006 has been computed and recorded in the financial statements of the Township. Under terms of union contracts and Township policies, employees are granted sick leave in varying amounts. At the end of each fiscal year, each employee shall be paid for 50% of all unused sick leave above the amount allowed to be accumulated by the employee (45 or 90 days). Upon retirement or death, payments will be made for 50% of accumulated sick leave. Vacation time (not to exceed one week) may be carried over from year to year.

Accumulated unpaid sick and vacation pay is recorded in either the governmental or business-type column of the Statement of Net Assets and on the proprietary fund statements depending on employee position. The Township General Fund has typically been used in prior years to liquidate the governmental activities portion of accumulated sick and vacation pay.

13. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws or regulations from other governments.

14. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for expenditures or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The General fund has designations of \$190,733 for future special assessment projects and \$50,000 for retiree employee benefits. Proprietary funds report restricted net assets equal to restricted assets less related liabilities.

15. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as transfers in or out. Transfers between governmental funds are eliminated in the Statement of Activities. Transfers in the fund financial statements are reported as other financing sources/uses.

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

16. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

17. Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2006, the Township participated in public entity risk pools for liability and property as well as workers' compensation insurance. The Township's participation in these pools is in substance the purchase of insurance. The Township carried commercial insurance to cover other risks of loss. The Township has had no settled claims resulting from these risks that exceeded their coverage in any of the past three fiscal years. There was no significant change in coverage during the year ended December 31, 2006.

Note B – Cash Equivalents, Deposits and Investments

The State of Michigan allows a political subdivision to authorize its Treasurer or other chief fiscal officer to invest surplus funds belonging to and under the control of the entity as follows:

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this State under the laws of this State or the United States.
- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of the purchase.
- Securities issued or guaranteed by agencies or instrumentalities of the United States government.
- United States government or Federal agency obligation repurchase agreements.
- Banker's acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.
- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a Township in Michigan.
- Investment pools, as authorized by the surplus funds investment pool act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a Township in Michigan.

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

Balances at December 31, 2006 related to cash equivalents, deposits and investments are detailed in the Basic Financial Statements as follows:

Cash equivalents, deposits and investments per the Statement of Net Assets:

Primary government:	
Unrestricted	\$13,350,084
Restricted	1,189,765
Component Unit:	
Unrestricted	773,088

Cash equivalents, deposits and investments of Fiduciary Funds:

Primary government:	
Agency	4,511,176
	<u>\$19,824,113</u>

Cash Equivalents and Deposits

Cash equivalents consist of bank public funds checking, savings and money market accounts. Deposits consist of certificates of deposit.

Depositories actively used by the Township during the year are detailed as follows:

1. J.P. Morgan Chase Bank
2. Huntington National Bank
3. National City Bank
4. Choice One Bank
5. Independent Bank
6. Flagstar Bank
7. Select Bank
8. Macatawa Bank
9. LSI Credit Union

December 31, 2006 balances are detailed as follows:

	Primary Government	Component Unit
Cash equivalents	\$ 9,403,680	\$ 566,106
Deposits	3,218,196	—
	<u>\$ 12,621,876</u>	<u>\$ 566,106</u>

Custodial credit risk

Custodial credit risk is the risk that in the event of bank failure, the Township's deposits may not be returned to the Township. The Township minimizes custodial credit risk by pre-qualifying institutions. Protection of Township cash equivalents and deposits is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the Township's cash equivalents and deposits was \$12,621,876 and the bank balance was \$12,644,814. Of the bank balance, \$998,924 was covered by federal depository insurance and \$11,645,890 was uninsured and uncollateralized. The component unit had a bank balance of \$566,106 which was uninsured and uncollateralized.

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

Investments

Investments consist of unrated surplus funds investment pools and U.S Government Agency Securities. The Kent County Money Max System is not subject to regulatory oversight, is not registered with the SEC and does not issue a separate report. The net assets value of the pool does not fluctuate and the fair value of the position in the pool is the same as the value of the pool shares.

As of December 31, 2006 the Township and its component unit had the following investments in their portfolio:

	Fair Value	
	<u>Primary Government</u>	<u>Component Unit</u>
Investment Pool Accounts:		
Kent County Money Max System	\$ 2,081,559	\$ 134,457
MBIA - Class	1,652,875	72,525
Multi-bank Securities, Inc.	53,223	—
U.S. Government Agency Securities:		
Federal National Mortgage Association (FNMA)	694,585	—
Federal Home Loan Bank (FHLB)	1,946,907	—
	<u>\$ 6,429,149</u>	<u>\$ 206,982</u>

The Weighted Average Maturity (in years) for the FNMA securities was 2.4714 and 2.0950 for the FHLB securities. The Weighted Average Maturity for the portfolio was 2.1944.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Township may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township minimizes custodial credit risk by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Township will do business. The Township Board recognizes the value of working with local businesses and encourages use of depositories with branches located within the boundaries of the Township. However, in order to gain possible interest rate advantages and to spread investment risk, up to twenty-five (25) percent of the portfolio may be invested with depositories outside the Township.

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Township has minimized its credit risk by adopting the following policies:

Except for debt service funds, special assessment funds and non-expendable trust funds, assets for Plainfield Charter Township shall be invested in instruments whose maturities do not exceed three years at the time of purchase. General Funds shall not exceed three year instruments and Water Funds shall not exceed six year instruments. Other operating funds' maturities shall not exceed one year instruments, unless the Township Board approves a temporary extension of maturities. In such cases, the average maturity of each fund's portfolio shall not exceed one year. Assets held in debt retirement funds and special assessment funds may be invested in maturities exceeding three years only with special approval of the Township Board following a public hearing.

Interest Rate Risk

In accordance with its investment policy, the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

the need to sell securities in the open market, and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market funds, or similar investment pools and limiting the average maturity in accordance with the Township's cash requirements.

Concentration of Credit Risk

The Township minimizes concentration of credit risk, which is the risk of loss attributed to the magnitude of the Township's investment in a single issuer, through its diversification policy which states the objective of the Township is to protect principal by diversifying its cash management portfolio to the extent practical and within sound business practices. Assets that are held in the common cash fund and other investment funds should be diversified to eliminate the risk of catastrophic loss potential resulting from over-concentration of assets in a specific instrument, specific issuer, and class of securities or maturity of securities. More than 5 percent of the Township's investments are in Federal Home Loan Bank securities (30%).

Foreign Currency Risk

The Township is not authorized to invest in investments which have this type of risk.

Note C – Transfers In (Out)/Due From (To) Other Funds

Interfund transfers during the year ended December 31, 2006 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds		
General Fund:		
Special Revenue Funds:		
Public Improvement	\$ 20,804	\$ —
Lighting District	—	20,000
Stormwater Management	—	20,000
Lake Improvement	5,000	—
	<u>25,804</u>	<u>40,000</u>
Total General Fund	25,804	40,000
Nonmajor Funds		
Special Revenue Funds:		
Public Improvement:		
General Fund	—	20,804
Lighting District:		
General Fund	20,000	—
Stormwater Management:		
General Fund	20,000	—
Lake Improvement:		
General Fund	—	5,000
	<u>40,000</u>	<u>25,804</u>
Total Nonmajor Funds	40,000	25,804
Total	<u><u>\$ 65,804</u></u>	<u><u>\$ 65,804</u></u>

General Fund and Lake Improvement transfers represent budgeted subsidies provided between various funds. The Public Improvement Fund transferred \$20,804 to the General Fund representing a reimbursement for park equipment, which was an interfund receivable/payable at December 31, 2006.

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

Due from (to) other funds at December 31, 2006, representing transfers not completed until after year end, were as follows:

General fund:

Public Improvement Special Revenue Fund	\$ 20,804
Tax Account Agency Fund	<u>3,135</u>
	<u>\$ 23,939</u>

Note D – Capital Assets

Capital asset activity for the year ended December 31, 2006 was as follows:

	Balances Jan. 1, 2006	Additions	Sales/ Retirements	Reallocations/ Transfers	Balances Dec. 31, 2006
Governmental activities					
Capital assets, not depreciated:					
Land	\$ 1,545,696	\$ 147,000	\$ -	\$ -	\$ 1,692,696
Capital assets, being depreciated:					
Buildings and improvements	11,522,266	320,339	60,747	-	11,781,858
Machinery and equipment	<u>3,215,402</u>	<u>371,214</u>	<u>125,798</u>	<u>-</u>	<u>3,460,818</u>
Total capital assets, being depreciated	<u>14,737,668</u>	<u>691,553</u>	<u>186,545</u>	<u>-</u>	<u>15,242,676</u>
Less accumulated depreciation for:					
Buildings and improvements	3,549,734	293,919	56,119	-	3,787,534
Machinery and equipment	<u>2,662,031</u>	<u>169,590</u>	<u>117,048</u>	<u>-</u>	<u>2,714,573</u>
Total accumulated depreciation	<u>6,211,765</u>	<u>\$ 463,509</u>	<u>\$ 173,167</u>	<u>\$ -</u>	<u>6,502,107</u>
Total capital assets, being depreciated, net	<u>8,525,903</u>				<u>8,740,569</u>
Net Capital Assets - Governmental Activities	<u>\$10,071,599</u>				<u>\$10,433,265</u>

Depreciation expense was charged to Township governmental activities as follows:

General government	\$ 157,164
Public safety	190,641
Recreation and cultural	<u>115,704</u>
	<u>\$ 463,509</u>

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

	Balances Jan. 1, 2006	Additions	Sales/ Retirements	Reallocations/ Transfers	Balances Dec. 31, 2006
Business-type activities					
Capital assets, not depreciated:					
Land	\$ 708,300	\$ -	\$ -	\$ -	\$ 708,300
Construction in progress	6,410,411	4,012,166	9,172,329	-	1,250,248
Total capital assets, not depreciated	<u>7,118,711</u>	<u>4,012,166</u>	<u>9,172,329</u>	<u>-</u>	<u>1,958,548</u>
Capital assets, being depreciated:					
Buildings and improvements	14,911,985	2,164,201	-	(178,738)	16,897,448
Utility systems	36,572,623	6,241,903	-	4,169,976	46,984,502
Machinery and equipment	5,491,392	367,833	19,556	(3,991,238)	1,848,431
Total capital assets, being depreciated	<u>56,976,000</u>	<u>8,773,937</u>	<u>19,556</u>	<u>-</u>	<u>65,730,381</u>
Less accumulated depreciation for:					
Buildings and improvements	4,549,877	383,620	-	(73,285)	4,860,212
Utility systems	6,936,093	762,497	-	1,072,217	8,770,807
Machinery and equipment	1,893,899	123,023	19,556	(998,932)	998,434
Total accumulated depreciation	<u>13,379,869</u>	<u>1,269,140</u>	<u>19,556</u>	<u>-</u>	<u>14,629,453</u>
Total capital assets, being depreciated, net	<u>43,596,131</u>				<u>51,100,928</u>
Net Capital Assets - Business-type Activities	<u><u>\$50,714,842</u></u>				<u><u>\$53,059,476</u></u>

Depreciation expense was charged to Township activities as follows:

Water	\$ 1,028,692
Sewer	<u>240,448</u>
	<u><u>\$ 1,269,140</u></u>

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

Note E –Long-Term Debt

The following is a summary of long-term debt transactions for the year ended December 31, 2006:

	Debt Outstanding January 1, 2006	Debt Added	Debt Retired	Debt Outstanding December 31, 2006
Governmental Activities				
Capital improvement bonds:				
December 19, 2002	\$ 3,230,000	\$ -	\$ 350,000	\$ 2,880,000
Installment purchase agreements:				
July 1, 1998	110,000	-	55,000	55,000
February 15, 2006	-	36,800	8,334	28,466
Capital lease:				
April 5, 2006	-	74,000	14,860	59,140
Accumulated sick and vacation pay	154,910	181,781	160,941	175,750
	<u>3,494,910</u>	<u>292,581</u>	<u>589,135</u>	<u>3,198,356</u>
Total governmental activities				
Business-type Activities				
Bond issues:				
Sewer:				
June 27, 1991	455,749	-	80,000	375,749
June 1, 1998	2,604,408	-	135,445	2,468,963
Water:				
June 11, 1987	240,000	-	115,000	125,000
September 3, 2001	4,780,000	-	440,000	4,340,000
June 1, 2003	4,645,000	-	185,000	4,460,000
March 4, 2004	1,960,000	-	195,000	1,765,000
Accumulated sick and vacation pay	94,243	72,827	78,200	88,870
	<u>14,779,400</u>	<u>72,827</u>	<u>1,228,645</u>	<u>13,623,582</u>
Total business-type activities				
Total Primary Government	<u><u>\$ 18,274,310</u></u>	<u><u>\$ 365,408</u></u>	<u><u>\$ 1,817,780</u></u>	<u><u>\$ 16,821,938</u></u>

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

Long-term bonds and installment purchase agreements at December 31, 2006 are comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
Governmental Activities				
\$3,900M 2002 Capital Improvement Bonds:				
Annual maturities of \$365M to \$465M	Nov. 1, 2013	3.13 - 3.85	\$ 2,880,000	\$ 365,000
\$450M 1998 Installment Purchase Agreement:				
Annual maturity of \$55M	Nov. 1, 2007	4.88	55,000	55,000
\$36,800 2006 Installment Purchase Agreement:				
Annual maturities of \$6,283 to \$8,370	March 15, 2010	8.00	28,466	6,283
\$74M 2006 Capital Lease:				
Annual maturities of \$6,561 to \$8,085	Oct. 5, 2010	5.29	59,140	13,648
Total Governmental Activities			<u>3,022,606</u>	<u>439,931</u>
Business-type Activities				
Sewer bonds:				
\$1,430,749 1991 Special Assessment:				
Annual maturities of \$36M to \$85M	April 1, 2011	2.00	375,749	85,000
\$4,360M 1998 North Kent Sewer Authority:				
Annual maturities of \$143M to \$282M	May 1, 2018	3.00 - 7.00	2,468,963	143,185
Water bonds:				
\$1,200M 1987 Supply and Distribution System Revenue :				
Annual maturity of \$125M	Nov. 1, 2007	8.625	125,000	125,000
\$5,710M 2001 Supply System Revenue:				
Annual maturities of \$455M to \$640M	Nov. 11, 2014	3.85 - 4.45	4,340,000	455,000
\$5,000M 2003 Capital Improvement:				
Annual maturities of \$190M to \$370M	Nov. 21, 2023	2.00 - 4.00	4,460,000	190,000
\$2,210M 2004 Refunding Revenue:				
Annual maturities of \$205M to \$250M	Nov. 1, 2014	2.00 - 3.75	1,765,000	205,000
Total Business-type Activities			<u>13,534,712</u>	<u>1,203,185</u>
Total Primary Government			<u>\$16,557,318</u>	<u>\$ 1,643,116</u>

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

The annual requirements to pay principal and interest on long-term debt outstanding at December 31, 2006, excluding accumulated sick and vacation pay, are as follows:

Year Ended December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2007	\$ 426,283	\$ 101,329	\$ 1,203,185	\$ 497,720	\$ 2,228,517
2008	386,785	86,265	1,119,794	448,777	2,041,621
2009	397,328	72,722	1,157,534	406,935	2,034,519
2010	418,070	58,135	1,209,144	362,163	2,047,512
2011	425,000	42,453	1,202,632	315,155	1,985,240
2012	445,000	26,246	1,218,493	268,122	1,957,861
2013	465,000	8,951	1,280,103	219,043	1,973,097
2014	-	-	1,350,582	168,193	1,518,775
2015	-	-	486,061	130,169	616,230
2016	-	-	512,671	114,789	627,460
2017	-	-	542,020	98,190	640,210
2018	-	-	572,500	80,323	652,823
2019	-	-	304,993	65,646	370,639
2020	-	-	320,000	54,360	374,360
2021	-	-	335,000	42,200	377,200
2022	-	-	350,000	28,800	378,800
2023	-	-	370,000	14,800	384,800
	<u>\$ 2,963,466</u>	<u>\$ 396,101</u>	<u>\$13,534,712</u>	<u>\$ 3,315,385</u>	<u>\$20,209,664</u>

The Township has entered into a lease agreement as lessee for financing the acquisition of a truck with a down payment of \$8,299. The truck has a net book value at December 31, 2006 of \$76,780. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. The future minimum lease obligations and the net present value of the minimum lease payments as of December 31, 2006 were as follows:

Year Ended December 31	Governmental Activities
2007	\$ 16,598
2008	16,598
2009	16,598
2010	16,598
Total minimum lease payments	66,393
Less amount representing interest	(7,253)
Present value of minimum lease payments	<u>\$ 59,140</u>

PLAINFIELD CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2006

Note F – Pension Plan/Post Employment Health Benefits

The Township maintains the Plainfield Charter Township Pension Plan which is a defined contribution plan. The Township contributes 7.5% and participating eligible employees contribute at least 5% of gross salary to a defined contribution retirement plan administered by an independent carrier. The Township contributes an additional 2.5% of gross salary to the plan for eligible employees with over 10 years of service and an additional 2.5% for over 15 years of service. The Township plan benefits and contribution requirements were established and may be amended under the authority of the Township Board and under agreements with unions representing various classes of employees. All retirement contributions are paid or accrued currently. There is no past service liability. All full time Township employees are eligible for participation in the plan. During the year, the Township contributed \$272,346 and plan members contributed \$143,370.

In addition to pension benefits, retirees receive an employer paid benefit toward the employee and spouse health insurance premiums depending on number of years of full-time employment with the Township. This benefit is authorized and applicable benefit requirements are identified in the Township personnel policy and union agreements. Employees retiring with 20 years of full-time employment receive full hospitalization benefits for life in the amount of a two person contract. Employees retiring with less than 20 years of full-time employment receive various levels of hospitalization benefits depending on years of service. These benefits are provided on a pay-as-you-go basis. The Township expended \$71,428 to provide insurance coverage for 12 retired employees during 2006.

Note G – Deferred Compensation Plan

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All assets of the plan are held in trust for employees and the related assets and liabilities are not included in this report.

Note H – Contingencies/Litigation

In the normal course of its activities, the Township has become a party in various legal actions, including property tax assessment appeals. Management of the Township is of the opinion that the outcome of such actions will not have a material effect on the financial position of the Township and, therefore, has not reflected loss reserves in the financial statements.

Note I – Commitments

At December 31, 2006, the Township had remaining construction commitments of \$430,114.

Note J – Stewardship, Compliance and Accountability

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
The following General Fund budget function was overspent:			
Public works	\$ 195,000	\$ 202,570	\$ 7,570

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

PLAINFIELD CHARTER TOWNSHIP
General Fund
Comparative Balance Sheet
December 31, 2006 and 2005

	2006	2005
Assets		
Cash	\$ 1,575	\$ 1,575
Cash equivalents, deposits and investments	2,173,087	2,018,812
Receivables:		
Taxes	3,409,412	3,216,460
Accounts	38,950	17,658
Special assessments	208,788	271,276
Due from other funds	23,939	-
Due from other governmental units	702,851	734,925
Prepaid expenditures	52,292	58,308
Total Assets	\$ 6,610,894	\$ 6,319,014
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 177,373	\$ 201,380
Accrued payroll and benefits	151,662	149,981
Payroll withholdings	21,964	10,229
Escrow deposits	3,478	3,292
Deferred (unearned) revenue	3,844,785	3,666,490
Total Liabilities	4,199,262	4,031,372
Fund Balances		
Unreserved:		
Designated for capital outlay	190,733	110,156
Designated for retiree health insurance	50,000	-
Undesignated	2,170,899	2,177,486
Total Fund Balances	2,411,632	2,287,642
Total Liabilities and Fund Balances	\$ 6,610,894	\$ 6,319,014

PLAINFIELD CHARTER TOWNSHIP
General Fund
Comparative Schedule of Revenues
For the years ended December 31, 2006 and 2005

	2006	2005
Taxes:		
Current property taxes	\$ 3,253,367	\$ 3,044,214
Delinquent property taxes	8,693	7,501
Industrial facilities taxes	31,408	30,307
In lieu of taxes	3,386	3,306
Trailer fees	6,245	6,436
Interest and penalties on taxes	18,844	15,224
	<u>3,321,943</u>	<u>3,106,988</u>
Licenses and permits:		
Business permits	5,480	3,830
Cable television fees	301,862	310,186
Dog licenses	405	256
	<u>307,747</u>	<u>314,272</u>
Federal sources:		
FEMA grant	78,462	-
State sources:		
Liquor license fees	18,250	17,663
Sales taxes	2,138,011	2,155,946
	<u>2,156,261</u>	<u>2,173,609</u>
Intergovernmental sources:		
Act 425 reimbursements	290	660
Charges for services:		
Planning and zoning fees	13,990	15,852
Summer tax collection fees	55,049	54,031
Passports	45,372	26,383
Other fees	4,630	2,825
Fire and rescue	40,157	28,881
Grave openings	16,607	21,438
Sale of cemetery lots	8,000	8,992
Copier and printing fees	703	885
Title searches	4,707	5,322
Recreational fees	33,222	29,967
Election fees	11,924	-
	<u>234,361</u>	<u>194,576</u>
Fines and forfeitures:		
District court fines	1,083	776
Interest and rentals:		
Interest on deposits and investments	243,903	80,419
Interest on special assessments	10,643	4,959
Rental income	33,685	34,002
	<u>288,231</u>	<u>119,380</u>
Other revenue:		
Sidewalk assessments	72,602	31,123
Sale of assets	4,306	37,818
Donations	147,000	3,000
Library reimbursements	28,049	33,059
Water/sewer/building department reimbursements	530,216	446,901
Other revenue	5,654	3,790
	<u>787,827</u>	<u>555,691</u>
Total Revenues	<u><u>\$ 7,176,205</u></u>	<u><u>\$ 6,465,952</u></u>

PLAINFIELD CHARTER TOWNSHIP
General Fund
Comparative Schedule of Expenditures
For the years ended December 31, 2006 and 2005

	2006	2005
Current:		
General government:		
Township board	\$ 21,036	\$ 22,060
Supervisor	14,698	15,195
Manager	222,144	202,783
Accounting	244,945	232,829
Clerk	219,463	214,898
Board of review	1,169	876
Treasurer	162,745	137,775
Assessor	220,322	210,225
General administration	312,829	293,896
Elections	49,152	7,079
Building and grounds	773,268	555,282
Legal and audit	38,399	26,319
Cemetery	247,560	48,124
Other general government	474,707	397,176
Total general government	3,002,437	2,364,517
Public safety:		
Law enforcement	371,381	331,396
Fire department	2,099,176	1,871,385
Planning	271,557	275,341
Total public safety	2,742,114	2,478,122
Public works:		
Drains	220	282
Highways, streets and bridges	202,350	407,271
Total public works	202,570	407,553
Recreation and cultural:		
Parks and recreation	226,991	183,429
Township newsletter	17,411	9,574
Library	209,818	128,072
Cultural	68,761	58,760
Historical	3,567	18,819
Total recreation and cultural	526,548	398,654
Other township:		
Insurance and bonds	132,416	131,510
Debt service:		
Principal repayment	428,194	390,000
Interest and fiscal charges	114,540	124,538
Total debt service	542,734	514,538
Total Expenditures	\$ 7,148,819	\$ 6,294,894

NONMAJOR GOVERNMENTAL FUNDS

PLAINFIELD CHARTER TOWNSHIP
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2006

	Special Revenue		
	Public Improvement	Lighting District	Stormwater Management
Assets			
Cash equivalents, deposits and investments	\$ 462,646	\$ 38,454	\$ 177,365
Receivables:			
Taxes	-	140,109	-
Accounts	-	-	-
Special assessments	-	-	-
Prepaid expenditures	-	-	-
Total Assets	<u>\$ 462,646</u>	<u>\$ 178,563</u>	<u>\$ 177,365</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ 15,036	\$ 1,277
Due to other funds	20,804	-	-
Deferred (unearned) revenue	-	152,112	-
Total Liabilities	<u>20,804</u>	<u>167,148</u>	<u>1,277</u>
Fund Balances			
Reserved for:			
Lighting district	-	11,415	-
Lake improvement	-	-	-
Building department	-	-	-
Unreserved:			
Designated for public works	441,842	-	176,088
Total Fund Balances	<u>441,842</u>	<u>11,415</u>	<u>176,088</u>
Total Liabilities and Fund Balances	<u>\$ 462,646</u>	<u>\$ 178,563</u>	<u>\$ 177,365</u>

<u>Lake Improvement</u>	<u>Building Department</u>	<u>Total</u>
\$ 9,345	\$ 137,706	\$ 825,516
-	-	140,109
-	5,980	5,980
22,680	-	22,680
800	488	1,288
<u>\$ 32,825</u>	<u>\$ 144,174</u>	<u>\$ 995,573</u>
\$ 1,925	\$ 4,391	\$ 22,629
-	-	20,804
22,680	-	174,792
<u>24,605</u>	<u>4,391</u>	<u>218,225</u>
-	-	11,415
8,220	-	8,220
-	139,783	139,783
-	-	617,930
<u>8,220</u>	<u>139,783</u>	<u>777,348</u>
<u>\$ 32,825</u>	<u>\$ 144,174</u>	<u>\$ 995,573</u>

PLAINFIELD CHARTER TOWNSHIP
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2006

		Special Revenue	
	Public Improvement	Lighting District	Stormwater Management
Revenues			
Charges for services	\$ -	\$ -	\$ -
Interest and rentals	15,665	3,839	6,364
Other revenue	-	141,586	1,013
Total Revenues	<u>15,665</u>	<u>145,425</u>	<u>7,377</u>
Expenditures			
Current:			
Public safety	-	-	-
Public works	-	175,949	2,047
Total Expenditures	<u>-</u>	<u>175,949</u>	<u>2,047</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>15,665</u>	<u>(30,524)</u>	<u>5,330</u>
Other Financing Sources (Uses)			
Transfers in	-	20,000	20,000
Transfers out	(20,804)	-	-
Total Other Financing Sources (Uses)	<u>(20,804)</u>	<u>20,000</u>	<u>20,000</u>
Net Change in Fund Balances	<u>(5,139)</u>	<u>(10,524)</u>	<u>25,330</u>
Fund Balances, January 1	<u>446,981</u>	<u>21,939</u>	<u>150,758</u>
Fund Balances, December 31	<u><u>\$ 441,842</u></u>	<u><u>\$ 11,415</u></u>	<u><u>\$ 176,088</u></u>

Lake Improvement	Building Department	Total
\$ -	\$ 293,486	\$ 293,486
576	8,319	34,763
15,194	-	157,793
15,770	301,805	486,042
-	417,427	417,427
4,775	-	182,771
4,775	417,427	600,198
10,995	(115,622)	(114,156)
-	-	40,000
(5,000)	-	(25,804)
(5,000)	-	14,196
5,995	(115,622)	(99,960)
2,225	255,405	877,308
\$ 8,220	\$ 139,783	\$ 777,348

PLAINFIELD CHARTER TOWNSHIP
Public Improvement Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2006

	Budget	Actual	Variance - Positive (Negative)
Revenues			
Interest and rentals	\$ 7,050	\$ 15,665	\$ 8,615
Expenditures	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	7,050	15,665	8,615
Other Financing Sources (Uses)			
Transfers out	(20,804)	(20,804)	-
Net Change in Fund Balances	(13,754)	(5,139)	8,615
Fund Balances, January 1	446,981	446,981	-
Fund Balances, December 31	<u>\$ 433,227</u>	<u>\$ 441,842</u>	<u>\$ 8,615</u>

PLAINFIELD CHARTER TOWNSHIP
Lighting District Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2006

	Budget	Actual	Variance - Positive (Negative)
Revenues			
Interest and rentals	\$ 1,400	\$ 3,839	\$ 2,439
Other revenue	139,000	141,586	2,586
Total Revenues	140,400	145,425	5,025
Expenditures			
Current:			
Public works	176,000	175,949	51
Excess (Deficiency) of Revenues Over Expenditures	(35,600)	(30,524)	5,076
Other Financing Sources			
Transfers in	20,000	20,000	-
Net Change in Fund Balances	(15,600)	(10,524)	5,076
Fund Balances, January 1	21,939	21,939	-
Fund Balances, December 31	<u>\$ 6,339</u>	<u>\$ 11,415</u>	<u>\$ 5,076</u>

PLAINFIELD CHARTER TOWNSHIP
Stormwater Management Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2006

	Budget	Actual	Variance - Positive (Negative)
Revenues			
Interest and rentals	\$ 1,500	\$ 6,364	\$ 4,864
Other revenue	5,000	1,013	(3,987)
Total Revenues	<u>6,500</u>	<u>7,377</u>	<u>877</u>
Expenditures			
Current:			
Public works	26,000	2,047	23,953
Excess (Deficiency) of Revenues Over Expenditures	<u>(19,500)</u>	<u>5,330</u>	<u>24,830</u>
Other Financing Sources			
Transfers in	20,000	20,000	-
Net Change in Fund Balances	<u>500</u>	<u>25,330</u>	<u>24,830</u>
Fund Balances, January 1	<u>150,758</u>	<u>150,758</u>	<u>-</u>
Fund Balances, December 31	<u><u>\$ 151,258</u></u>	<u><u>\$ 176,088</u></u>	<u><u>\$ 24,830</u></u>

PLAINFIELD CHARTER TOWNSHIP
Lake Improvement Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2006

	Budget	Actual	Variance - Positive (Negative)
Revenues			
Interest and rentals	\$ 50	\$ 576	\$ 526
Other revenue	14,762	15,194	432
Total Revenues	<u>14,812</u>	<u>15,770</u>	<u>958</u>
Expenditures			
Current:			
Public works	9,375	4,775	4,600
Excess (Deficiency) of Revenues Over Expenditures	<u>5,437</u>	<u>10,995</u>	<u>5,558</u>
Other Financing Sources (Uses)			
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net Change in Fund Balances	437	5,995	5,558
Fund Balances, January 1	<u>2,225</u>	<u>2,225</u>	<u>-</u>
Fund Balances, December 31	<u><u>\$ 2,662</u></u>	<u><u>\$ 8,220</u></u>	<u><u>\$ 5,558</u></u>

PLAINFIELD CHARTER TOWNSHIP
Building Department Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2006

	Budget	Actual	Variance - Positive (Negative)
Revenues			
Charges for services	\$ 317,000	\$ 293,486	\$ (23,514)
Interest and rentals	4,800	8,319	3,519
Total Revenues	<u>321,800</u>	<u>301,805</u>	<u>(19,995)</u>
Expenditures			
Current:			
Public safety	<u>448,795</u>	<u>417,427</u>	<u>31,368</u>
Net Change in Fund Balances	<u>(126,995)</u>	<u>(115,622)</u>	<u>11,373</u>
Fund Balances, January 1	<u>255,405</u>	<u>255,405</u>	<u>-</u>
Fund Balances, December 31	<u><u>\$ 128,410</u></u>	<u><u>\$ 139,783</u></u>	<u><u>\$ 11,373</u></u>

AGENCY FUNDS

PLAINFIELD CHARTER TOWNSHIP
All Agency Funds
Combining Schedule of Changes in Assets and Liabilities
For the year ended December 31, 2006

	Balances January 1, 2006	Additions	Deductions	Balances December 31, 2006
Trust Account Fund				
Assets				
Cash equivalents, deposits and investments	\$ 100,867	\$ 319,612	\$ 365,371	\$ 55,108
Accounts receivable	5,448	4,120	3,785	5,783
Total Assets	\$ 106,315	\$ 323,732	\$ 369,156	\$ 60,891
Liabilities				
Accounts payable	\$ 20,015	\$ 340,234	\$ 342,547	\$ 17,702
Due to other governmental units	(2,639)	241,166	231,134	7,393
Escrow deposits	88,939	79,652	132,795	35,796
Total Liabilities	\$ 106,315	\$ 661,052	\$ 706,476	\$ 60,891
Tax Account Agency Fund				
Assets				
Cash equivalents, deposits and investments	\$ 4,751,594	\$39,632,184	\$39,927,710	\$ 4,456,068
Liabilities				
Accounts payable	\$ -	\$ 291,504	\$ 291,504	\$ -
Due to other funds	-	4,148,869	4,145,734	3,135
Due to other governmental units	4,751,594	35,191,811	35,490,472	4,452,933
Total Liabilities	\$ 4,751,594	\$39,632,184	\$39,927,710	\$ 4,456,068
Totals - All Agency Funds				
Assets				
Cash equivalents, deposits and investments	\$ 4,852,461	\$39,951,796	\$40,293,081	\$ 4,511,176
Accounts receivable	5,448	4,120	3,785	5,783
Total Assets	\$ 4,857,909	\$39,955,916	\$40,296,866	\$ 4,516,959
Liabilities				
Accounts payable	\$ 20,015	\$ 631,738	\$ 634,051	\$ 17,702
Due to other funds	-	4,148,869	4,145,734	3,135
Due to other governmental units	4,748,955	35,432,977	35,721,606	4,460,326
Escrow deposits	88,939	79,652	132,795	35,796
Total Liabilities	\$ 4,857,909	\$40,293,236	\$40,634,186	\$ 4,516,959

OTHER INFORMATION

PLAINFIELD CHARTER TOWNSHIP
Summary of 2005 Taxes Levied and Collected
For the year ended December 31, 2006

	<u>Taxable Valuation</u>	<u>Rate (Mills)</u>	<u>Taxes Levied</u>	<u>Returned Delinquent</u>	<u>Current Collections</u>
<u>Ad Valorem Taxes</u>					
Kent County					
Operating	\$1,015,555,258	5.3140	\$ 5,385,184	\$ 250,103	\$ 5,135,081
Drains			1,351	72	1,279
			<u>5,386,535</u>	<u>250,175</u>	<u>5,136,360</u>
Kent District Library	1,015,555,258	0.8800	891,772	48,015	843,757
State Education Tax					
Comstock Park Public Schools	191,558,062	6.0000	1,149,365	37,260	1,112,105
Kenowa Hills Public Schools	1,276,878	6.0000	7,661	59	7,602
Northview Public Schools	470,256,956	6.0000	2,821,476	67,017	2,754,459
Rockford Public Schools	352,463,362	6.0000	2,102,093	55,469	2,046,624
			<u>6,080,595</u>	<u>159,805</u>	<u>5,920,790</u>
School Districts					
Kent Intermediate School District	1,015,555,258	3.7903	4,707,667	123,723	4,583,944
Grand Rapids Community College	1,015,555,258	1.7865	1,810,448	47,580	1,762,868
Comstock Park Public Schools:					
Other	191,558,062	8.1620	1,755,098	56,896	1,698,202
Operating	68,315,681	18.0000	1,229,762	63,823	1,165,939
Kenowa Hills Public Schools:					
Other	1,276,878	3.6000	4,341	33	4,308
Operating	187,382	18.0000	3,365	176	3,189
Northview Public Schools:					
Other	470,256,956	8.9572	4,212,091	165,962	4,046,129
Operating	159,643,685	18.0000	2,873,568	171,967	2,701,601
Rockford Public Schools:					
Other	352,463,362	9.5000	3,344,462	130,760	3,213,702
Operating	80,417,549	18.0000	1,409,492	116,122	1,293,370
			<u>21,350,294</u>	<u>877,042</u>	<u>20,473,252</u>
Total School Districts					
Plainfield Charter Township	1,015,555,258				
Operating		3.2900	3,334,168	179,521	3,154,647
Street lighting assessments			141,614	6,254	135,360
Delinquent special assessments			61,300	10,321	50,979
			<u>3,537,082</u>	<u>196,096</u>	<u>3,340,986</u>
Total Township					
Total Ad Valorem Taxes			<u>\$37,246,278</u>	<u>\$1,531,133</u>	<u>\$35,715,145</u>

(Continued)

PLAINFIELD CHARTER TOWNSHIP
Summary of 2005 Taxes Levied and Collected
For the year ended December 31, 2006

	<u>Taxable Valuation</u>	<u>Rate (Mills)</u>	<u>Taxes Levied</u>	<u>Returned Delinquent</u>	<u>Current Collections</u>
<u>Tax Abatements</u>					
Industrial Facilities (P.A. 198) New					
Kent County	\$20,577,750	2.65700	\$ 51,985	\$ -	\$ 51,985
Kent District Library	20,577,750	0.44000	8,608	-	8,608
State education tax:					
Comstock Park Public Schools	2,550,380	6.00000	15,302	-	15,302
Northview Public Schools	574,780	6.00000	3,449	-	3,449
Rockford Public Schools	17,452,590	6.00000	97,412	-	97,412
Kent Intermediate School District	20,577,750	1.89515	45,571	-	45,571
Grand Rapids Community College	20,577,750	0.89325	17,477	-	17,477
Comstock Park Public Schools:					
Operating	2,550,380	4.08100	11,684	-	11,684
Other	2,550,380	9.00000	22,953	-	22,953
Northview Public Schools:					
Operating	574,780	1.80000	3,490	-	7,014
Other	574,780	9.00000	7,014	-	3,490
Rockford Public Schools:					
Operating	17,452,590	4.47860	82,250	-	82,250
Other	17,452,590	9.00000	146,119	-	146,119
Plainfield Charter Township:					
Operating	20,577,750	1.64500	32,184	-	32,184
Total Industrial Facilities (P.A. 198) New			<u>\$ 545,498</u>	<u>\$ -</u>	<u>\$ 545,498</u>

PLAINFIELD CHARTER TOWNSHIP
Schedule of Indebtedness
December 31, 2006

<u>Debt</u>	<u>Year Ended December 31</u>	<u>Interest Rate(%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities						
2002 Capital Improvement Bonds			<u>May 1</u>	<u>May 1</u>	<u>November 1</u>	
2007	3.13		365,000	51,036	45,332	461,368
2008	3.25		380,000	45,332	39,158	464,490
2009	3.50		390,000	39,158	32,333	461,491
2010	3.50		410,000	32,333	25,157	467,490
2011	3.70		425,000	25,157	17,295	467,452
2012	3.75		445,000	17,295	8,951	471,246
2013	3.85		465,000	8,951	-	473,951
			<u>2,880,000</u>	<u>219,262</u>	<u>168,226</u>	<u>3,267,488</u>
1998 Installment Purchase Agreement			<u>November 1</u>	<u>May 1</u>	<u>November 1</u>	
2007	4.88		\$ 55,000	\$ 1,342	\$ 1,342	\$ 57,684
2006 Installment Purchase Agreement			<u>March 15</u>	<u>March 15</u>		
2007	8.00		\$ 6,283	\$ 2,277		\$ 8,560
2008			6,785	1,775		8,560
2009			7,328	1,232		8,560
2010			8,070	645		8,715
			<u>28,466</u>	<u>5,929</u>		<u>34,395</u>
Total Governmental Activities			<u>2,963,466</u>	<u>226,533</u>	<u>169,568</u>	<u>3,359,567</u>
Business-Type Activities						
Sewer Enterprise Fund:						
1991 Special Assessment Bonds			<u>April 1</u>	<u>April 1</u>	<u>October 1</u>	
2007	2.00		85,000	3,757	2,908	91,665
2008	2.00		85,000	2,908	2,057	89,965
2009	2.00		85,000	2,057	1,208	88,265
2010	2.00		85,000	1,208	357	86,565
2011	2.00		35,749	357	-	36,106
			<u>375,749</u>	<u>10,287</u>	<u>6,530</u>	<u>392,566</u>

(Continued)

PLAINFIELD CHARTER TOWNSHIP
Schedule of Indebtedness
December 31, 2006

<u>Debt</u>	<u>Year Ended December 31</u>	<u>Interest Rate(%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest</u>	<u>Total</u>
1998 North Kent Sewer Authority Bonds			<u>May 1</u>	<u>May 1</u>	<u>November 1</u>	
	2007	7.00	143,184	55,218	50,207	248,609
	2008	7.00	154,794	50,207	44,789	249,790
	2009	7.00	162,534	44,789	39,100	246,423
	2010	7.00	174,143	39,100	33,005	246,248
	2011	5.75	181,883	33,005	27,775	242,663
	2012	4.50	193,493	27,775	23,422	244,690
	2013	4.50	205,102	23,422	18,807	247,331
	2014	3.00	220,581	18,807	15,499	254,887
	2015	3.00	236,061	15,499	11,958	263,518
	2016	3.00	247,670	11,958	8,243	267,871
	2017	3.00	267,020	8,243	4,237	279,500
	2018	3.00	282,498	4,237	-	286,735
			<u>2,468,963</u>	<u>332,260</u>	<u>277,042</u>	<u>3,078,265</u>
Total Sewer Enterprise Fund			<u>2,844,712</u>	<u>342,547</u>	<u>283,572</u>	<u>3,470,831</u>
Water Enterprise Fund:						
1987 Water Revenue Bonds			<u>November 1</u>	<u>May 1</u>	<u>November 1</u>	
	2007	8.625	<u>\$ 125,000</u>	<u>\$ 5,391</u>	<u>\$ 5,391</u>	<u>\$ 135,782</u>
2001 Water Revenue Refunding Bonds			<u>May 1</u>	<u>May 1</u>	<u>November 1</u>	
	2007	3.85	455,000	90,045	81,514	626,559
	2008	3.95	480,000	81,514	71,914	633,428
	2009	4.125	500,000	71,914	61,601	633,515
	2010	4.00	530,000	61,601	51,001	642,602
	2011	4.10	550,000	51,001	39,726	640,727
	2012	4.25	575,000	39,726	27,508	642,234
	2013	4.35	610,000	27,507	14,240	651,747
	2014	4.45	640,000	14,240	-	654,240
			<u>4,340,000</u>	<u>437,548</u>	<u>347,504</u>	<u>5,125,052</u>

(Continued)

PLAINFIELD CHARTER TOWNSHIP
Schedule of Indebtedness
December 31, 2006

Debt	Year Ended December 31	Interest Rate(%)	Principal	Interest	Interest	Total
2003 Water Revenue Bonds (G.O. Supported)			November 1	May 1	November 1	
	2007	2.00	190,000	74,460	74,460	338,920
	2008	2.05	195,000	72,560	72,560	340,120
	2009	2.30	200,000	70,561	70,561	341,122
	2010	3.00	205,000	68,261	68,261	341,522
	2011	3.00	215,000	65,186	65,186	345,372
	2012	3.00	225,000	61,961	61,961	348,922
	2013	3.00	230,000	58,586	58,586	347,172
	2014	3.15	240,000	55,136	55,136	350,272
	2015	3.25	250,000	51,356	51,356	352,712
	2016	3.35	265,000	47,294	47,294	359,588
	2017	3.50	275,000	42,855	42,855	360,710
	2018	3.60	290,000	38,043	38,043	366,086
	2019	3.70	305,000	32,823	32,823	370,646
	2020	3.80	320,000	27,180	27,180	374,360
	2021	4.00	335,000	21,100	21,100	377,200
	2022	4.00	350,000	14,400	14,400	378,800
	2023	4.00	370,000	7,400	7,400	384,800
			<u>4,460,000</u>	<u>809,162</u>	<u>809,162</u>	<u>6,078,324</u>
2004 Water Revenue Refunding Bonds			November 1	May 1	November 1	
	2007	2.00	\$ 205,000	\$ 27,184	\$ 27,184	\$ 259,368
	2008	2.50	205,000	25,134	25,135	255,269
	2009	2.75	210,000	22,572	22,572	255,144
	2010	3.00	215,000	19,684	19,685	254,369
	2011	3.25	220,000	16,459	16,459	252,918
	2012	3.50	225,000	12,884	12,885	250,769
	2013	3.63	235,000	8,947	8,947	252,894
	2014	3.75	250,000	4,688	4,689	259,377
			<u>1,765,000</u>	<u>137,552</u>	<u>137,556</u>	<u>2,040,108</u>
Total Water Enterprise Fund			<u>10,690,000</u>	<u>1,389,653</u>	<u>1,299,613</u>	<u>13,379,266</u>
Total Business-Type Activities			<u>13,534,712</u>	<u>1,732,200</u>	<u>1,583,185</u>	<u>16,850,097</u>
Total Debt			<u><u>\$16,498,178</u></u>	<u><u>\$1,958,733</u></u>	<u><u>\$1,752,753</u></u>	<u><u>\$20,209,664</u></u>

Hungerford, Aldrin,
Nichols & Carter, P.C.
CPAs AND CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

May 15, 2007

The Township Board
Plainfield Charter Township
Kent County, Michigan

We have audited the basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Plainfield Charter Township as of and for the year ended December 31, 2006, and have issued our report thereon dated May 15, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Plainfield Charter Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plainfield Charter Township's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The Township Board
Plainfield Charter Township
May 15, 2007

This report is intended solely for the information and use of the Township Board, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Hungerford, Alden, Nichols & Co., P.C.

Certified Public Accountants

STATISTICAL SECTION

(Unaudited)

PLAINFIELD CHARTER TOWNSHIP
Net Assets By Component
2002 Through 2006
(Accrual Basis of Accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities:					
Investment in capital assets, net of related debt	\$ 2,702,221	\$ 6,041,038	\$ 6,642,605	\$ 7,006,368	\$ 7,623,164
Restricted	167,550	943,236	244,898	279,569	159,418
Unrestricted	4,909,074	2,283,642	2,633,361	2,730,471	2,853,812
Total governmental activities net assets	<u>\$ 7,778,845</u>	<u>\$ 9,267,916</u>	<u>\$ 9,520,864</u>	<u>\$10,016,408</u>	<u>\$10,636,394</u>
Business-type activities:					
Investment in capital assets, net of related debt	\$30,347,067	\$28,898,485	\$31,062,249	\$36,029,685	\$39,524,764
Restricted	1,691,911	968,615	1,188,015	1,090,135	1,101,330
Unrestricted	10,072,796	15,319,466	16,217,453	14,164,126	13,244,791
Total business-type activities net assets	<u>\$42,111,774</u>	<u>\$45,186,566</u>	<u>\$48,467,717</u>	<u>\$51,283,946</u>	<u>\$53,870,885</u>
Primary government:					
Investment in capital assets, net of related debt	\$33,049,288	\$34,939,523	\$37,704,854	\$43,036,053	\$47,147,928
Restricted	1,859,461	1,911,851	1,432,913	1,369,704	1,260,748
Unrestricted	14,981,870	17,603,108	18,850,814	16,894,597	16,098,603
Total primary government net assets	<u>\$49,890,619</u>	<u>\$54,454,482</u>	<u>\$57,988,581</u>	<u>\$61,300,354</u>	<u>\$64,507,279</u>

PLAINFIELD CHARTER TOWNSHIP
Changes in Net Assets
2002 Through 2006
(Accrual Basis of Accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
Expenses					
Governmental activities:					
General government	\$3,516,177	\$2,378,550	\$2,543,493	\$2,469,786	\$2,631,763
Legislative	247,200	13,751	22,959	-	-
Public safety	3,078,267	2,919,788	2,898,776	2,982,464	3,192,723
Public works	507,738	373,825	443,774	604,465	448,153
Recreation and cultural	625,271	553,330	416,544	516,584	642,252
Insurance	-	120,320	121,302	131,510	-
Interest on debt	32,549	135,393	134,345	122,574	113,992
Total governmental activities	<u>8,007,202</u>	<u>6,494,957</u>	<u>6,581,193</u>	<u>6,827,383</u>	<u>7,028,883</u>
Business-type activities:					
Sewer utility	2,313,961	2,330,591	2,351,971	2,503,299	2,872,792
Water utility	3,314,249	3,441,189	3,717,555	3,946,987	4,258,453
Total business-type activities	<u>5,628,210</u>	<u>5,771,780</u>	<u>6,069,526</u>	<u>6,450,286</u>	<u>7,131,245</u>
Total primary government expenses	<u>\$13,635,412</u>	<u>\$12,266,737</u>	<u>\$12,650,719</u>	<u>\$13,277,669</u>	<u>\$14,160,128</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 670,628	\$ 711,684	\$ 870,484	\$ 924,886	\$ 1,149,292
Public safety	313,444	441,564	450,151	524,083	293,486
Public works	-	-	-	-	157,793
Recreation and cultural	71,314	64,813	47,095	63,026	33,222
Operating grants and contributions	217,986	136,881	154,278	172,598	78,462
Capital grants and contributions	31,192	21,499	32,063	267,289	182,479
Total governmental activities	<u>1,304,564</u>	<u>1,376,441</u>	<u>1,554,071</u>	<u>1,951,882</u>	<u>1,894,734</u>
Business-type activities:					
Charges for services:					
Sewer utility	3,032,868	2,962,921	3,232,060	2,420,500	2,844,555
Water utility	4,046,154	4,991,311	4,805,664	5,022,316	4,934,264
Capital grants and contributions	178,400	683,099	1,071,358	1,331,440	1,306,074
Total business-type activities	<u>7,257,422</u>	<u>8,637,331</u>	<u>9,109,082</u>	<u>8,774,256</u>	<u>9,084,893</u>
Total primary government program revenues	<u>\$ 8,561,986</u>	<u>\$10,013,772</u>	<u>\$10,663,153</u>	<u>\$10,726,138</u>	<u>\$10,979,627</u>
Net (Expense) Revenue					
Governmental activities	\$(6,702,638)	\$(5,118,516)	\$(5,027,122)	\$(4,875,501)	\$(5,134,149)
Business-type activities	1,629,212	2,865,551	3,039,556	2,323,970	1,953,648
Total primary government net (expense) revenue	<u>\$(5,073,426)</u>	<u>\$(2,252,965)</u>	<u>\$(1,987,566)</u>	<u>\$(2,551,531)</u>	<u>\$(3,180,501)</u>

(Continued)

PLAINFIELD CHARTER TOWNSHIP
Changes in Net Assets
2002 Through 2006
(Accrual Basis of Accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Property taxes	\$ 2,184,432	\$ 2,295,544	\$ 2,954,135	\$ 3,106,988	\$ 3,321,943
State shared revenue	2,522,899	2,276,232	2,201,220	2,155,946	2,156,261
Federal sources	-	65,262	-	-	-
Investment earnings	111,707	143,054	115,674	104,460	289,309
Gain (loss) on sale of capital assets	42,394	2,706	9,041	28,651	(13,378)
Transfers - internal activities	(75,000)	(25,000)	-	(25,000)	-
Total governmental activities	4,786,432	4,757,798	5,280,070	5,371,045	5,754,135
Business-type activities:					
Investment earnings	217,586	184,241	241,595	467,259	633,291
Transfers - internal activities	75,000	25,000	-	25,000	-
Total business-type activities	292,586	209,241	241,595	492,259	633,291
Total primary government	<u>\$ 5,079,018</u>	<u>\$ 4,967,039</u>	<u>\$ 5,521,665</u>	<u>\$ 5,863,304</u>	<u>\$ 6,387,426</u>
Changes in Net Assets					
Governmental activities	\$(1,916,206)	\$ (360,718)	\$ 252,948	\$ 495,544	\$ 619,986
Business-type activities	1,921,798	3,074,792	3,281,151	2,816,229	2,586,939
Total primary government	<u>\$ 5,592</u>	<u>\$ 2,714,074</u>	<u>\$ 3,534,099</u>	<u>\$ 3,311,773</u>	<u>\$ 3,206,925</u>

(Concluded)

PLAINFIELD CHARTER TOWNSHIP
Fund Balances, Governmental Funds
1997 Through 2006

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
General Fund:				
Unreserved - designated	\$ 511,758	\$ 457,733	\$ 404,963	\$ 262,156
Unreserved - undesignated	<u>1,148,661</u>	<u>1,470,723</u>	<u>1,871,359</u>	<u>2,298,468</u>
Total general fund	<u><u>\$ 1,660,419</u></u>	<u><u>\$ 1,928,456</u></u>	<u><u>\$ 2,276,322</u></u>	<u><u>\$ 2,560,624</u></u>
All Other Governmental Funds:				
Reserved	\$ 689,381	\$ 656,915	\$ 636,813	\$ 628,695
Unreserved, reported in				
Special revenue funds	191,018	257,958	255,525	69,913
Capital projects funds	<u>12,372</u>	<u>23,338</u>	<u>46,706</u>	<u>-</u>
Total all other governmental funds	<u><u>\$ 892,771</u></u>	<u><u>\$ 938,211</u></u>	<u><u>\$ 939,044</u></u>	<u><u>\$ 698,608</u></u>

Fiscal Year					
2001	2002	2003	2004	2005	2006
\$ 303,984	\$ 303,984	\$ 302,081	\$ 288,624	\$ 110,156	\$ 240,733
2,403,307	1,610,222	1,573,204	1,898,594	2,177,486	2,170,899
<u>\$ 2,707,291</u>	<u>\$ 1,914,206</u>	<u>\$ 1,875,285</u>	<u>\$ 2,187,218</u>	<u>\$ 2,287,642</u>	<u>\$ 2,411,632</u>
\$ 661,582	\$ 167,196	\$ 201,318	\$ 239,532	\$ 279,569	\$ 159,418
170,810	557,083	512,757	532,214	597,739	617,930
-	2,537,917	748,634	5,366	-	-
<u>\$ 832,392</u>	<u>\$ 3,262,196</u>	<u>\$ 1,462,709</u>	<u>\$ 777,112</u>	<u>\$ 877,308</u>	<u>\$ 777,348</u>

PLAINFIELD CHARTER TOWNSHIP
Changes In Fund Balances, Governmental Funds
1997 Through 2006

	1997	1998	1999	2000
Revenues				
Taxes	\$ 1,622,641	\$ 1,452,934	\$ 1,588,336	\$ 1,699,404
Licenses and permits	369,203	454,775	481,918	195,294
Intergovernmental:				
Federal	-	-	-	-
State	2,242,890	2,083,687	2,399,767	2,527,639
Local	-	-	-	-
Charges for services	111,767	165,815	158,595	438,987
Fines and forfeitures	1,364	1,467	662	505
Interest and rentals	408,435	215,610	217,368	296,923
Other	602,471	684,428	638,989	436,080
Total revenues	5,358,771	5,058,716	5,485,635	5,594,832
Expenditures				
Legislative	14,608	14,764	74,667	25,756
General government	1,151,669	1,531,173	1,819,187	1,956,675
Public safety	1,319,689	1,667,221	1,914,778	2,095,650
Public works	512,282	437,368	570,684	759,019
Recreation and culture	175,063	219,508	300,313	315,865
Other expenditures	357,655	65,359	57,840	73,946
Capital outlay	698,924	1,206,418	244,121	62,819
Debt service				
Principal	-	35,000	35,000	40,000
Interest	-	18,428	20,346	19,059
Total expenditures	4,229,890	5,195,239	5,036,936	5,348,789
Excess (deficiency) of revenues over (under) expenditures	1,128,881	(136,523)	448,699	246,043
Other Financing Sources (Uses)				
Loan/lease proceeds	-	-	-	-
Transfers in	1,030,080	507,987	228,912	112,254
Transfers out	(5,088,387)	(507,987)	(328,912)	(214,431)
Bonds issued	-	450,000	-	-
Gain on sale of capital assets	-	-	-	-
Total other financing sources (uses)	(4,058,307)	450,000	(100,000)	(102,177)
Net changes in fund balances	\$(2,929,426)	\$ 313,477	\$ 348,699	\$ 143,866
Debt service as a percentage of noncapital expenditures	0.00%	2.12%	1.67%	1.55%

Fiscal Year					
2001	2002	2003	2004	2005	2006
\$ 2,095,418	\$ 2,273,213	\$ 2,302,259	\$ 2,929,086	\$ 3,244,383	\$ 3,321,943
240,199	300,945	236,549	300,645	314,272	307,747
-	-	65,262	-	-	78,462
2,652,655	2,522,899	2,276,232	2,201,220	2,173,609	2,156,261
-	-	-	-	-	290
499,109	470,403	648,858	642,853	673,150	527,847
1,132	1,364	2,559	1,083	776	1,083
252,991	111,707	143,054	115,674	138,462	322,994
500,340	534,720	491,181	618,531	607,649	945,620
<u>6,241,844</u>	<u>6,215,251</u>	<u>6,165,954</u>	<u>6,809,092</u>	<u>7,152,301</u>	<u>7,662,247</u>
23,551	26,039	19,461	20,952	22,060	21,036
1,853,728	3,308,494	2,209,516	2,319,272	2,342,457	2,981,401
2,380,579	2,730,077	2,738,536	2,645,427	2,912,997	3,159,541
388,420	398,812	373,825	404,989	604,465	385,341
352,661	441,515	449,109	380,138	398,654	526,548
80,547	95,073	120,320	121,302	131,510	132,416
512,684	1,395,544	1,891,451	774,411	-	-
40,000	45,000	45,000	380,000	390,000	428,194
16,822	14,843	132,144	136,265	124,538	114,540
<u>5,648,992</u>	<u>8,455,397</u>	<u>7,979,362</u>	<u>7,182,756</u>	<u>6,926,681</u>	<u>7,749,017</u>
<u>592,852</u>	<u>(2,240,146)</u>	<u>(1,813,408)</u>	<u>(373,664)</u>	<u>225,620</u>	<u>(86,770)</u>
-	-	-	-	-	110,800
592,496	306,569	128,216	30,000	56,366	65,804
(909,196)	(381,569)	(153,216)	(30,000)	(81,366)	(65,804)
-	3,900,000	-	-	-	-
-	51,865	-	-	-	-
<u>(316,700)</u>	<u>3,876,865</u>	<u>(25,000)</u>	<u>-</u>	<u>(25,000)</u>	<u>110,800</u>
<u>\$ 276,152</u>	<u>\$ 1,636,719</u>	<u>\$ (1,838,408)</u>	<u>\$ (373,664)</u>	<u>\$ 200,620</u>	<u>\$ 24,030</u>
1.55%	1.07%	3.05%	8.20%	7.66%	7.79%

PLAINFIELD CHARTER TOWNSHIP
Tax Revenues By Source, Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Year Ended December 31	General Property Taxes
1997	1,622,641
1998	1,452,934
1999	1,588,336
2000	1,699,404
2001	2,095,418
2002	2,273,213
2003	2,302,259
2004	2,929,086
2005	3,244,383
2006	3,321,943

PLAINFIELD CHARTER TOWNSHIP
State Equalized Value and Estimated Actual Value of Taxable Property
1997 Through 2006

Fiscal Year Ending	Real Property			Personal Property		
	*State Equalized Value	Taxable Value	Estimated Actual Value	*State Equalized Value	Taxable Value	Estimated Actual Value
1997	\$ 594,405,500	\$567,882,071	\$1,188,811,000	\$54,224,700	\$54,218,500	\$108,449,400
1998	656,255,700	604,760,705	1,312,511,400	56,189,800	56,182,766	112,379,600
1999	710,087,600	643,243,551	1,420,175,200	63,074,000	63,057,059	126,148,000
2000	767,053,700	684,952,399	1,534,107,400	63,101,600	63,089,525	126,203,200
2001	833,150,700	737,905,867	1,666,301,400	66,711,100	66,700,972	133,422,200
2002	900,230,200	798,369,051	1,800,460,400	68,547,700	68,536,800	137,095,400
2003	968,497,500	836,898,913	1,936,995,000	67,366,300	67,366,300	134,732,600
2004	1,023,022,500	893,113,655	2,046,045,000	73,963,100	75,222,315	147,926,200
2005	1,106,601,200	959,538,995	2,213,202,400	78,635,800	78,635,800	157,271,600
2006	1,176,557,900	1,031,332,923	2,353,115,800	76,471,600	76,471,600	152,943,200

Source: Plainfield Charter Township Assessor

The township's millage rate is currently limited to 5 mills for operations.

The maximum allowable millage rate after Headlee Rollback Reduction is 4.1772 mills for 2006.

Total		Estimated Actual Value	Tax Rate Mills
*State Equalized Value	Taxable Value		
\$ 648,630,200	\$ 622,100,571	\$1,297,260,400	2.8500
712,445,500	660,943,471	1,424,891,000	2.3500
773,161,600	706,300,610	1,546,323,200	2.4500
830,155,300	748,041,924	1,660,310,600	2.4500
899,861,800	804,606,839	1,799,723,600	2.8500
968,777,900	866,905,851	1,937,555,800	2.8000
1,035,863,800	904,265,213	2,071,727,600	3.3100
1,096,985,600	968,335,970	2,193,971,200	3.2900
1,185,237,000	1,038,174,795	2,370,474,000	3.2900
1,253,029,500	1,107,804,523	2,506,059,000	3.2900

PLAINFIELD CHARTER TOWNSHIP
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Taxable Value)
1997 Through 2006

Year of Levy	Township Direct Rate	Kent County	Kent District Library	State Education Tax	Kent Intermediate School District
1997 Homestead	2.8500	5.1090	0.6800	6.0000	3.8803
Non Homestead	2.8500	5.1090	0.6800	6.0000	3.8803
1998 Homestead	2.3500	5.1166	0.6800	6.0000	3.8803
Non Homestead	2.3500	5.1166	0.6800	6.0000	3.8803
1999 Homestead	2.4500	5.1166	0.6800	6.0000	3.8803
Non Homestead	2.4500	5.1166	0.6800	6.0000	3.8803
2000 Homestead	2.4500	5.3551	0.6431	12.0000	3.8625
Non Homestead	2.4500	5.3551	0.6431	12.0000	3.8625
2001 Homestead	2.8500	5.3340	0.8787	6.0000	3.8430
Non Homestead	2.8500	5.3340	0.8787	6.0000	3.8430
2002 Homestead	2.8000	5.3140	0.8769	6.0000	3.8192
Non Homestead	2.8000	5.3140	0.8769	6.0000	3.8192
2003 Homestead	3.3100	5.3140	0.8710	5.0000	3.7903
Non Homestead	3.3100	5.3140	0.8710	5.0000	3.7903
2004 Homestead	3.2900	5.3140	0.8800	6.0000	4.5333
Non Homestead	3.2900	5.3140	0.8800	6.0000	4.5333
2005 Homestead	3.2900	5.3140	0.8800	6.0000	4.6453
Non Homestead	3.2900	5.3140	0.8800	6.0000	4.6453
2006 Homestead	3.2900	5.3940	0.8800	6.0000	4.6903
Non Homestead	3.2900	5.3940	0.8800	6.0000	4.6903

Source: Plainfield Charter Township Treasurer

The township's millage rate is currently limited to 5 mills for operations.

The maximum allowable millage rate after Headlee Rollback Reduction is 4.1772 mills for 2006.

Overlapping Rates

Grand Rapids Community College	Rockford School District	Northview School District	Kenowa Hills School District	Comstock Park School District
1.8285	10.4946	11.0000	5.6538	10.4620
1.8285	28.4946	29.0000	23.6538	28.4620
1.8285	8.3830	8.0000	5.2320	8.1620
1.8285	26.3830	26.0000	23.2320	26.1620
1.8285	8.3830	8.0000	5.2320	8.1620
1.8285	26.3830	26.0000	23.2320	26.1620
1.8201	8.3688	8.0000	4.3604	8.1620
1.8201	26.3688	26.0000	22.3604	26.1620
1.8109	8.5000	8.2422	3.8000	8.1620
1.8109	26.5000	26.2422	21.8000	26.1620
1.8000	8.5000	8.2312	3.6000	8.1620
1.8000	26.5000	26.2312	21.6000	26.1620
1.7865	8.5000	8.2186	3.6000	8.1620
1.7865	26.5000	26.2186	21.6000	26.1620
1.7865	9.5000	8.9572	3.6000	8.1620
1.7865	27.5000	26.9572	21.6000	26.1620
1.7865	9.4949	8.9572	3.3600	9.1621
1.7865	27.4949	26.9572	21.3600	27.1621
1.7865	9.4949	6.2056	3.3600	9.1620
1.7865	27.4949	24.2056	21.3600	27.1620

PLAINFIELD CHARTER TOWNSHIP
Principal Property Taxpayers
Current year and seven years ago

Taxpayer	Type of Business	2006			1999*		
		Taxable Value	Rank	Percent of Total Twp. Taxable Value	Taxable Value	Rank	Percent of Total Twp. Taxable Value
Wynalda Litho, Inc.	Manufacturing	\$ 14,452,827	1	1.30%	\$ 5,578,533	3	0.85%
Consumers Energy Co.	Utility	10,361,700	2	0.94%	7,544,286	2	1.15%
Michigan Consolidated Gas Co.	Utility	8,614,200	3	0.78%	4,692,600	8	0.72%
Gill Industries Inc.	Manufacturing	7,659,436	4	0.69%	5,198,550	4	0.79%
West Michigan Baseball	Sports Complex	6,323,014	5	0.57%	4,857,859	5	0.74%
Northview Harbor Ltd.	Apartments	5,723,900	6	0.52%	4,725,000	7	0.72%
Northern/Woodland Estates	Mobile Home Park	5,407,234	7	0.49%	4,761,380	6	0.73%
Meijer Inc.	Retailer	5,055,409	8	0.46%	8,344,244	1	1.28%
Jackson Products	Manufacturing	4,843,448	9	0.44%	3,616,886	9	0.55%
Jupiter Development	Real Estate	4,775,934	10	0.43%			
Hidden Valley Apartments	Apartments	-			3,434,300	10	0.52%
Ten Largest Taxpayers		73,217,102		6.61%	52,753,638		8.06%
Other Taxpayers		1,034,587,421			601,664,353		
Total Taxable Value		<u>\$1,107,804,523</u>			<u>\$654,417,991</u>		

*Earliest year available
Source: Plainfield Charter Township Assessor

PLAINFIELD CHARTER TOWNSHIP
Property Tax Levies and Collections
1997 Through 2006

Year Ended December 31	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections Total Levy
1997	\$1,499,826	\$1,497,067	99.82	\$ 4,927	\$1,501,994	100.14
1998	1,599,296	1,594,908	99.73	3,210	1,598,118	99.93
1999	1,421,841	1,419,390	99.83	7,565	1,426,955	100.36
2000	1,586,698	1,572,488	99.10	2,959	1,575,447	99.29
2001	1,713,154	1,677,670	97.93	4,111	1,681,781	98.17
2002	2,198,923	2,187,010	99.46	2,329	2,189,339	99.56
2003	2,363,940	2,349,574	99.39	3,016	2,352,590	99.52
2004	2,932,668	2,901,132	98.92	6,879	2,908,011	99.16
2005	3,124,825	3,044,214	97.42	7,501	3,051,715	97.66
2006	3,334,168	3,253,367	97.58	8,693	3,262,060	97.84

Source: Plainfield Charter Township Treasurer

PLAINFIELD CHARTER TOWNSHIP
Ratios Of Outstanding Debt By Type
1997 Through 2006

Year Ended December 31	Governmental Activities		Business-Type Activities		Total Primary Government
	Installment Purchase Agreement	General Obligation Bonds	Sewer Bonds	Water Bonds	
1997	\$ -	\$ -	\$ 1,050,749	\$ 11,055,000	\$ 12,105,749
1998	415,000	-	980,749	10,600,000	11,995,749
1999	380,000	-	4,268,829	10,170,000	14,818,829
2000	340,000	-	4,025,636	9,655,000	14,020,636
2001	300,000	-	3,846,150	9,525,000	13,671,150
2002	255,000	-	3,662,794	8,900,000	12,817,794
2003	210,000	3,900,000	3,471,698	13,250,000	20,831,698
2004	160,000	3,570,000	3,267,863	12,515,000	19,512,863
2005	110,000	3,230,000	3,060,157	11,625,000	18,025,157
2006	83,466	2,880,000	2,844,712	10,690,000	16,498,178

Plainfield Charter Township participates in the North Kent Sewer Authority, a joint venture as defined by GASB Statement #14. The purpose of the Authority is to construct and maintain sewage transportation infrastructure. The Authority is also in the process of constructing a wastewater treatment plant. The Township pays the Authority based on its share of sewage flow through the system to cover debt service, maintenance, and administration of the Authority. The most recent allocation of outstanding debt based on flow through the system indicated debt attributable to Plainfield Charter Township of:

NKSA Bonds Series 2006	16,276,320
NKSA Bonds Series 2005	2,743,200
NKSA Bonds Series 2002	1,133,856
NKSA Bonds dated September 12, 2001 (Limited Tax)	2,398,014
NKSA Bonds dated April 1, 2000 (Limited Tax)	1,936,506
NKSA Bonds dated June 1, 1998 (Unfixed Portion)	316,823

This debt has been excluded from Plainfield Charter Township financial statements because principal and interest payments are based upon Township's portion of sewage flow through the system, and the Township does not have an equity interest in the joint venture.

Source: Municipal Advisory Council of Michigan and Plainfield Charter Township

Source: U.S. Census Department (population) see demographic and economic statistics schedule for details

Source: U.S. Department of Labor (per capital income). Based upon 2005 information (2006 not available)

See demographic and economic statistical schedule for details

1. Township population is 24,946 for 1996, 27,971 for 1997 - 1999, and 30,195 for 2000 - 2006

Percentage of Personal Income	Net Bonded Debt Per Capita¹
1.70%	\$ 433
1.60%	429
1.90%	530
1.57%	464
1.53%	453
1.40%	425
2.18%	690
2.01%	646
1.80%	597
1.65%	546

PLAINFIELD CHARTER TOWNSHIP
Ratios Of General Bonded Debt Outstanding
1997 Through 2006

Year Ended December 31	Estimated Population	State Equalized Valuation	General Obligation Debt	Less Available Debt Service Funds	Percentage of Estimated Actual Value of Taxable Property	Per Capita
1997	27,971	\$583,505,900	\$ -	\$ -	0.00%	\$ -
1998	27,971	648,719,200	415,000	-	0.06%	15
1999	27,971	712,445,500	380,000	-	0.05%	14
2000	30,195	773,161,600	340,000	-	0.04%	11
2001	30,712	830,155,300	300,000	-	0.04%	10
2002	30,939	899,861,800	255,000	-	0.03%	8
2003	31,109	1,036,068,300	4,110,000	-	0.40%	132
2004	31,348	1,096,985,600	3,730,000	-	0.34%	119
2005	31,571	1,185,237,000	3,340,000	-	0.28%	106
2006	31,571	1,253,029,500	2,963,466	-	0.24%	94

General Obligation Bonds in this table represent only those bonds serviced from property tax revenues. There is one other General Obligation bond issue that is serviced from Water Revenues that is not included here.

Source: Plainfield Charter Township Assessor (State Equalized Valuation)

Source: U.S. Census Department (Population)

PLAINFIELD CHARTER TOWNSHIP
Direct and Overlapping Governmental Activities Debt
December 31, 2006

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Township</u>	<u>Township's Share of Debt</u>
Direct:			
Plainfield Charter Township	\$ 2,963,466 (1)	100.00 %	\$ 2,963,466
Overlapping (2):			
Kent County	73,490,000	5.38	3,953,762
Grand Rapids Community College	54,210,000	5.24	2,840,604
Rockford School District	103,887,715	26.12	27,135,471
Northview School District	22,060,000	87.93	19,397,358
Comstock Park School District	43,313,629	56.33	24,398,567
Kenowa Hills School District	34,375,000	0.13	44,688
Total Overlapping Debt			<u>77,770,451</u>
Total Direct and Overlapping Debt			<u><u>\$80,733,917</u></u>

(1) Excluding general obligation limited tax and revenue bonds reported in the enterprise funds.

(2) Overlapping debt is the portion of another taxing unit's debt for which property taxpayers of Plainfield Charter Township are liable in addition to debt issued by Plainfield Charter Township.

Source: Municipal Advisory Council of Michigan and Plainfield Charter Township

PLAINFIELD CHARTER TOWNSHIP
Legal Debt Margin Information
1997 Through 2006

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Debt Limit	\$63,467,140	\$ 69,917,870	\$ 77,316,160	\$ 83,015,530
Net General Obligation Debt Subject to Limitation	<u>-</u>	<u>415,000</u>	<u>380,000</u>	<u>340,000</u>
Legal Debt Margin	<u>\$63,467,140</u>	<u>\$ 69,502,870</u>	<u>\$ 76,936,160</u>	<u>\$ 82,675,530</u>
Total net debt applicable to the limit as a percentage of the debt limit	0.00%	0.59%	0.49%	0.41%

Legal Debt Margin Calculation for Fiscal Year 2006

State Equalized Valuation	<u>\$1,253,029,500</u>
Debt Limit - 10% of State Equalized Value	\$ 125,302,950
Debt Outstanding	\$16,498,178
Less: Exempt Debt	<u>9,074,712</u>
Net General Obligation Debt Subject to Limitation	<u>7,423,466</u>
Legal Debt Margin	<u>\$ 117,879,484</u>

State law limits the amount of township general obligation debt to 10% of state equalized value.
(1) Includes the State Equalized Valuation of property granted tax abatement under Act 198.

Fiscal Year					
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$ 89,986,180	\$ 96,898,240	\$103,606,830	\$109,698,560	\$118,523,700	\$125,302,950
<u>300,000</u>	<u>255,000</u>	<u>9,110,000</u>	<u>8,555,000</u>	<u>7,985,000</u>	<u>7,423,466</u>
<u><u>\$ 89,686,180</u></u>	<u><u>\$ 96,643,240</u></u>	<u><u>\$ 94,496,830</u></u>	<u><u>\$101,143,560</u></u>	<u><u>\$110,538,700</u></u>	<u><u>\$117,879,484</u></u>
0.33%	0.26%	8.79%	7.80%	6.74%	5.92%

PLAINFIELD CHARTER TOWNSHIP
Pledged-Revenue Coverage
1997 Through 2006

Year Ended December 31	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
1997	\$ 3,473,655	\$ 1,429,246	\$ 2,044,409	\$ 455,000	\$ 623,024	1.9
1998	4,079,092	1,636,444	2,442,648	505,000	641,495	2.1
1999	3,905,231	1,856,503	2,048,728	480,000	595,269	1.9
2000	3,710,079	1,824,714	1,885,365	515,000	565,521	1.7
2001	4,100,486	1,943,498	2,156,988	540,000	545,092	2.0
2002	4,088,343	1,989,491	2,098,852	625,000	448,998	2.0
2003	5,735,019	2,050,738	3,684,281	650,000	464,124	3.3
2004	5,864,212	2,350,497	3,513,715	880,000	437,594	2.7
2005	5,753,969	2,478,478	3,275,491	890,000	439,906	2.5
2006	5,717,742	2,743,940	2,973,802	935,000	405,323	2.2

Water Supply System Revenue and General Obligation Bonds (Serviced by Water Fund)

PLAINFIELD CHARTER TOWNSHIP
Demographic Statistics
1996 Through 2006

Year	Population¹	Per Capita Personal Income⁷	Unemployment Rate
1996	24,946 ²	\$ 24,466	2.6
1997	27,971 ³	25,573	2.1
1998	27,971	27,010	1.9
1999	27,971	27,837	2.0
2000	30,195 ⁴	29,392	2.0
2001	30,712 ⁵	30,195	3.3
2002	30,939 ⁵	30,227	4.1
2003	31,109 ⁵	31,582	5.2
2004	31,348 ⁵	32,079	4.6
2005	31,571 ⁵	33,116	3.8
2006	31,571 ⁶	N/A	3.7

Source: U.S. Department of Labor (per capital income and unemployment rates)

¹ Source: U.S. Census Bureau (population)

² 1990 Census

³ Mid-decade Census

⁴ 2000 Census

⁵ Population estimates

⁶ Population estimates not available

⁷ Bureau of Economic Analysis, US Dept of Commerce (Kent County)

PLAINFIELD CHARTER TOWNSHIP
Principal Employers
Current year and five years ago

Taxpayer	Type of Business	2006			2001*		
		Approx. Number of Employees	Rank	Percent of Total Twp. Employment	Approx. Number of Employees	Rank	Percent of Total Twp. Employment
Rockford Public Schools	Education	988	1	5.80%	611	2	3.61%
Northview Public Schools	Education	424	2	2.49%	422	4	2.49%
Meijer, Inc.	Retail	300	3	1.76%	1,082	1	6.39%
Gill Industries	Manufacturing	260	4	1.53%	440	3	2.60%
Jackson Products	Manufacturing	250	5	1.47%	308	5	1.82%
Comstock Park Schools	Education	230	6	1.35%	235	7	1.39%
NuCraft Furniture	Manufacturing	225	7	1.32%	258	6	1.52%
Lowe's	Home Improvement	163	8	0.96%	180	8	1.06%
Progressive Engineering	Engineering	130	9	0.76%	125	10	
K&M Northfield Dodge	Auto Sales & Repair	110	10	0.65%			0.00%
Canteen Services	Vending/Food Services	89			174	9	1.03%
Ten Largest Employers		3,169		18.08%	3,835		21.92%
Other Employers		13,871			13,090		
Total Employed		17,040			16,925		

*Earliest year available

Source: Plainfield Township

Source: State of Michigan Labor Market Information

PLAINFIELD CHARTER TOWNSHIP
Full-Time Equivalent Township Employees By Function
2000 Through 2006

Function	Fiscal Year						
	2000	2001	2002	2003	2004	2005	2006
General government	32.2	30.8	34.0	31.8	31.2	30.9	32.7
Public safety	16.0	19.2	21.4	21.1	21.3	25.0	25.3
Parks and recreation	2.3	2.5	3.8	3.1	2.8	2.6	2.9
Building inspection	4.0	4.0	4.0	4.0	4.0	3.5	3.0
Water utility	16.0	16.2	15.8	15.8	17.2	17.0	15.0
Total	70.5	72.7	78.9	75.8	76.5	79.0	78.8

Source: Plainfield Charter Township payroll records

PLAINFIELD CHARTER TOWNSHIP
Operating Indicators By Function
2001 Through 2006

	Fiscal Year					
	2001	2002	2003	2004	2005	2006
Function						
General government:						
Tax bills issued	12,219	12,314	12,423	12,537	12,644	12,798
Number of registered voters	21,311	20,232	20,500	20,500	21,921	21,898
Public Safety - Fire Protection:						
Number of calls answered	2,096	1,875	1,907	2,109	2,055	2,104
Number of inspections conducted	200	150	250	350	400	968
Police Protection: Kent County Sheriff:						
Number of incidents	11,581	11,792	11,625	11,234	11,728	11,385
Sewer System:						
Number of service connections	6,500	6,683	6,874	7,070	7,312	7,471
Number of residential equivalency units	11,100	11,399	11,738	12,049	12,392	12,757
Daily average treatment in gallons - MGD	1.66123	1.91928	1.60734	1.74523	1.68036	1.75138
Water System:						
Number of residential equivalency units	13,800	17,806	17,866	18,232	18,415	18,659
Daily average consumption in gallons - MGD	3.8104	4.1424	3.9822	3.8443	4.2874	4.1341
Maximum daily capacity of plant in gallons - MGD	16.0	16.0	16.0	16.0	16.0	16.0
Peak Daily Demand - MGD	10.3	10.4	9.8	7.8	10.0	8.7

Source: Plainfield Charter Township records

PLAINFIELD CHARTER TOWNSHIP
Capital Assets Statistics By Function/Program
2001 Through 2006

	Fiscal Year					
	2001	2002	2003	2004	2005	2006
Function/Program						
Public Safety:						
Fire stations	2	2	2	2	2	2
Fire vehicles	16	16	16	17	16	16
Public works:						
Number of trucks	13	14	15	13	15	16
Miles of major streets:						
Primary	33.02	35.60	35.60	35.60	35.60	35.60
Local	126.75	126.22	127.30	129.42	131.27	131.64
Number of street lights	1,265	1,297	1,285	1,295	1,329	1,360
Number of cemeteries	2	2	2	2	2	2
Culture and recreation:						
Township parks	9	9	11	11	11	11
County/State parks	4	4	5	5	5	5
Sewer System:						
Miles of sanitary sewers	121	137	140	145	148	150
Water System:						
Miles of water mains	200	201	206	212	215	221
Number of treatment plants	1	1	1	1	1	1
Number of water storage tanks	10	10	12	13	13	13
Number of fire hydrants:	1,907	1,897	2,056	2,139	2,212	2,287
Plainfield Township	1,428	1,472	1,548	1,624	1,694	1,803
Alpine Township	440	387	441	448	451	415
City of Walker	4	4	4	4	4	4
Grand Rapids Township	35	34	36	36	36	38
Algoma Township	0	0	27	27	27	27

Source: Plainfield Charter Township records

Hungerford, Aldrin, Nichols & Carter, P.C.

C P A s A N D C O N S U L T A N T S

May 11, 2007

The Township Board
Plainfield Charter Township
Kent County, Michigan

The following comments pertain to our audit of the financial records of Plainfield Charter Township as of and for the year ended December 31, 2006. The comments are made in accordance with Statement on Auditing Standards No. 61 "Communication With Audit Committees" which requires that in certain audits, certain matters are to be communicated to those who have responsibility for oversight of the financial reporting process. The communications required by this statement, if pertinent to the examination, are as follows:

1. Auditor's Responsibility Under Generally Accepted Auditing Standards.
2. Significant Accounting Policies.
3. Management Judgments and Accounting Estimates.
4. Significant Audit Adjustments.
5. Other Information in Documents Containing Audited Financial Statements.
6. Disagreements With Management.
7. Consultation With Other Accountants.
8. Major Issues Discussed With Management Prior to Retention.
9. Difficulties Encountered in Performing the Audit.
10. Uncorrected misstatements (passed audit adjustments).

The communications specified by the Statement are incidental to the audit and are not required to occur before, nor do they affect, our auditor's report on the Township's financial statements.

The following are the matters to be communicated by SAS No. 61 based on our observations during the course of our audit of the financial statements and our review and evaluation of the internal control system of the Plainfield Charter Township.

Auditors Responsibility Under Generally Accepted Auditing Standards

We conducted our audit in accordance with Generally Accepted Auditing Standards (GAAS). Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. We are required by GAAS to obtain a sufficient understanding of the internal control structure to plan the audit and to determine the nature, timing and extent of tests to be performed. The purpose of the audit was to report on the financial statements and not to provide assurance on the internal control structure. Because of inherent limitations in any internal control structure, errors or irregularities may occur and not be detected.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Plainfield Charter Township are described in Note A of the Notes to Basic Financial Statements.

Difficulties Encountered In Performing The Audit

We encountered no significant difficulties in auditing the records of the Township for the year ended December 31, 2006. Township accounting personnel and both the Treasurer's and Clerk's departments are maintaining a timely, accurate and efficient record keeping system.

Significant Audit Adjustments

During the course of our audit the following adjustments of a significant nature was made to the accounting records of the Township to bring the balances to those presented in the financial statements. These adjustments have been entered into the Township's computer accounting system by Township accounting personnel to bring Township records into agreement with audited balances.

General Fund

1. \$20,804 to record the budgeted transfer from the Public Improvement Fund in 2006.
2. \$50,000 to classify the monies set aside for retiree health insurance to the proper fund balance account.
3. \$110,800 to record the loan proceeds for vehicle and equipment purchases.
4. \$25,158 to classify the principal and interest payments on the loans to the proper debt service expenditures accounts.
5. \$147,000 to record the donation for the value of cemetery property contributed to the Township.

There were no adjustments proposed during the audit not recorded by Plainfield Charter Township.

Suggestions And Recommendations

We offered suggestions and recommendations regarding the day-to-day operations of the Township computer and accounting systems to the Accounting Manager, Treasurer, Clerk, Township Manager and other accounting personnel of the Township as the topics arose during the course of our audit field work. Hopefully, these suggestions will improve the operations of the Township and assist in more efficient monthly and year end financial record keeping and reporting.

* * * * *

This communication is intended solely for the information and use of the Plainfield Charter Township Board of Trustees, administration and others within the organization. We have furnished a copy of this letter to the Michigan Department of Treasury as an enclosure with the audit report as required by the State of Michigan.

We appreciate the opportunity to provide financial auditing and advisory services to the Plainfield Charter Township and hope to continue to do so in the future. We also appreciate the dedication and cooperation of the Accounting Manager, Treasurer, Clerk, Township Manager and other accounting personnel in performing their functions and in assisting us in completing ours. If there are any questions regarding the audit report, or the attached communication, we will be happy to address them.

Hungerford, Aldrin, Nichols & Carter, P.C.

Certified Public Accountants